EXHIBIT 26

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BAIN & COMPANY

Varsity Brands growth assessment

February, 2018

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Varsity Brands discussion questions

BSN SPORTS

- What are the underlying **participation trends** for BSN's customer base?
  - How many team sports are high schools offering today, and how has that changed in the last 5 years?
  - How have athlete participation rates in team sports trended over the last 5 years?
- How has **spend per athlete** changed for apparel, equipment and accessories for team sports?
  - How does this vary by sport? What is driving changes in spend?
  - How has the school-pay versus player-pay dynamic evolved?
- What is the **purchase process** for team sports apparel and equipment?
  - What is the role of the central district versus the school?
  - What is the role of the Coach, Principal, Controller and Parent?
- What is the **competitive landscape** for team sports uniform and equipment vendors?
  - What is BSN's share? How does this differ by sport/school segment?
- What are **attractive growth opportunities** for BSN?
  - Is BSN under-represented in high spend women's sports?
  - Is there room to increase penetration in hard goods?
  - Is expanding private label an opportunity?
  - Is there an opportunity to grow MyTeamShop and Sideline stores? Team Art Locker?

VARSITY spirit fashion

- What are the underlying **participation trends** for Varsity Spirit's customer base?
  - How have participation rates trended in cheerleading and dance over the last 5 years, by segment (in school cheer, out of school cheer, cheer camp, dance)?
  - How much opportunity is there to grow participation?
- How has **spend per athlete** trended in the last 5 years, by product type (camp, competition, apparel)?
  - How is spend per athlete likely to trend going forward?
  - What is the school- versus player-pay dynamic in cheerleading and dance?
- What is the **purchase process** for cheer and dance apparel and equipment?
  - Who is the primary decision-maker? Who offers input?
  - How sticky are relationships with vendors? What drives switching?
- What is the **competitive landscape** for cheerleading and dance, according to key decision makers?
  - Who are the major competitors?
  - What is Varsity's penetration/share?
- What are **attractive growth opportunities** for Varsity Spirit?
  - Can Varsity Spirit increase cheer participation through events like Game Day?
  - What is the opportunity to increase spend per athlete? Improve attachment rates?
  - What other growth opportunities exist for Varsity Spirit? Value? International?

HERFF JONES

<u>Yearbooks</u>

- What are the underlying **trends** in high school yearbooks (buy rates, price), for both physical and digital products?
- What is the **purchase process** for yearbooks? What is the role of the rep, the adviser, principal, students, parents, and HJ?
- What is the **competitive landscape** for yearbooks?
- What key **growth opportunities** are there in yearbooks?
  - What innovations have occurred in digital?
  - What is the playbook for increasing sales?

<u>Jewelry</u>

- What are the underlying **trends** in high school class rings (buy rates, price)?
- What is the **purchase process** for class rings and jewelry?
- What is the **competitive landscape** for class jewelry?
- What **key growth opportunities** are there in jewelry?
  - What is the opportunity in innovation?
  - How have the product offerings evolved?
  - What are competitors doing to innovate (e.g., profile Jostens)?
  - What new achievement jewelry products are in demand (e.g., championship rings)?

Sources

Interviews (N=67)

Achievement (N=15)

- Principal, Private High School #1
- CFO, Private High School #1
- Director of finance, Private High School #1
- Yearbook adviser, Private High School #2
- *Yearbook adviser, Private High School #3
- Yearbook adviser, Public High School #1
- *Yearbook teacher, Public High School #2
- *Yearbook teacher, Public High School #3
- *Yearbook teacher, Public High School #4
- *VP of business dev., Competitor #1
- *CEO, Competitor #2
- *Director of product development, Competitor #2
- *Manager of sales operations, Competitor #2
- *VP of sales, Competitor #2
- *Yearbook sales rep, Competitor #3
- *Senior Sales Manager at Team Sports Provider #1
- *EVP at Team Sports Provider #2
- Athletic director, School System #1
- Athletic director, High School #1
- Athletic director, High School #2
- Coach, Dance, High School #3
- Coach, Football, High School #4
- Coach, Football, High School #5
- Coach, Golf, High School #6
- Coach, Wrestling, High School #7
- Principal, High School #8
- CFO & athletic director, High School #8
- Coach, Football, High School #9
- Coach, Soccer, High School #10
- Coach, Lacrosse, High School #11
- Coach, Football, High School #12
- Coach, Track & Field, High School #13
- Coach, Football, High School #14

Sports / Cheer (N=52)

- Coach, Football, High School #15
- Athletic director, High School #16
- Coach, Track & Field, High School #17
- Athletic director, High School #18
- Coach, Lacrosse, High School #19
- *SVP #1, Cheer Brand #1
- All Star Cheer Coach #1
- High School Cheer Coach #1
- All Star Cheer Coach #2
- All Star Cheer Coach #3
- High School Cheer Coach #2
- All Star Cheer Coach #4
- All Star Cheer Coach #6
- All Star Cheer Coach #7
- High School Cheer Coach #3
- All Star / High School Cheer Coach #1
- All Star / High School Cheer Captain #1
- All Star/ High School Cheer Coach #2
- All Star Cheer Coach #5
- Athletic director, High School #20
- Youth and girls Coach, High School #21
- Coach, High School #22
- Coach, High School #23
- Coach, High School #24
- Coach, Youth League #1
- Coach, High School #25
- Director, Youth League #2
- Athletic director, High School #26
- Athletic director, High School #27
- Coach, Youth League #3
- *Founder, Custom apparel provider #1
- All Star Cheer Coach #8
- All Star Cheer Coach #9
- *Sales Rep #1, Cheer Brand #1

Surveys (N=2,969)

Yearbook Consumer Survey

Total N = 1,500

- People who have graduated high school within the past five years
- US Nationwide

Cheer Consumer Survey

Total N = 989

- Females aged 14-18 and parents of cheerleaders in elementary, middle, or high school
- US Nationwide

Decision-Maker Survey

Yearbooks/class jewelry N = 235

- Educators who oversee the yearbook and class jewelry decision-making processes, US nationwide

Cheer **HS N = 171**
All Star N = 74

- High school and All Star gym coaches

Note: *Indicates former position

Secondary sources

- National Federation of State High School Associations (NFSA)
- National Center for Education Statistics (NCES)
- Whitehouse.gov
- National Sporting Goods Association (NSGA)
  - 2017 and historical topline participation reports
  - 2017 and historical sporting goods market reports
- US Census Bureau
- Pew Research Center
- Sports and Fitness Industry Association (SFIA)
- Sporting Goods Manufacturers Association (SGMA)
- Letterman and competitor websites
- Herff Jones and competitor websites
- Sporting good manufacturers company websites
- Varsity internal data
- Herff Jones internal data
- Statista
- News and industry publications
  - Freedonia, MarketLine, Wall Street Journal, Forbes, ESPN, Athletic Business, Education Week, Alliance for Excellent Education, Human kinetics, and Child trends

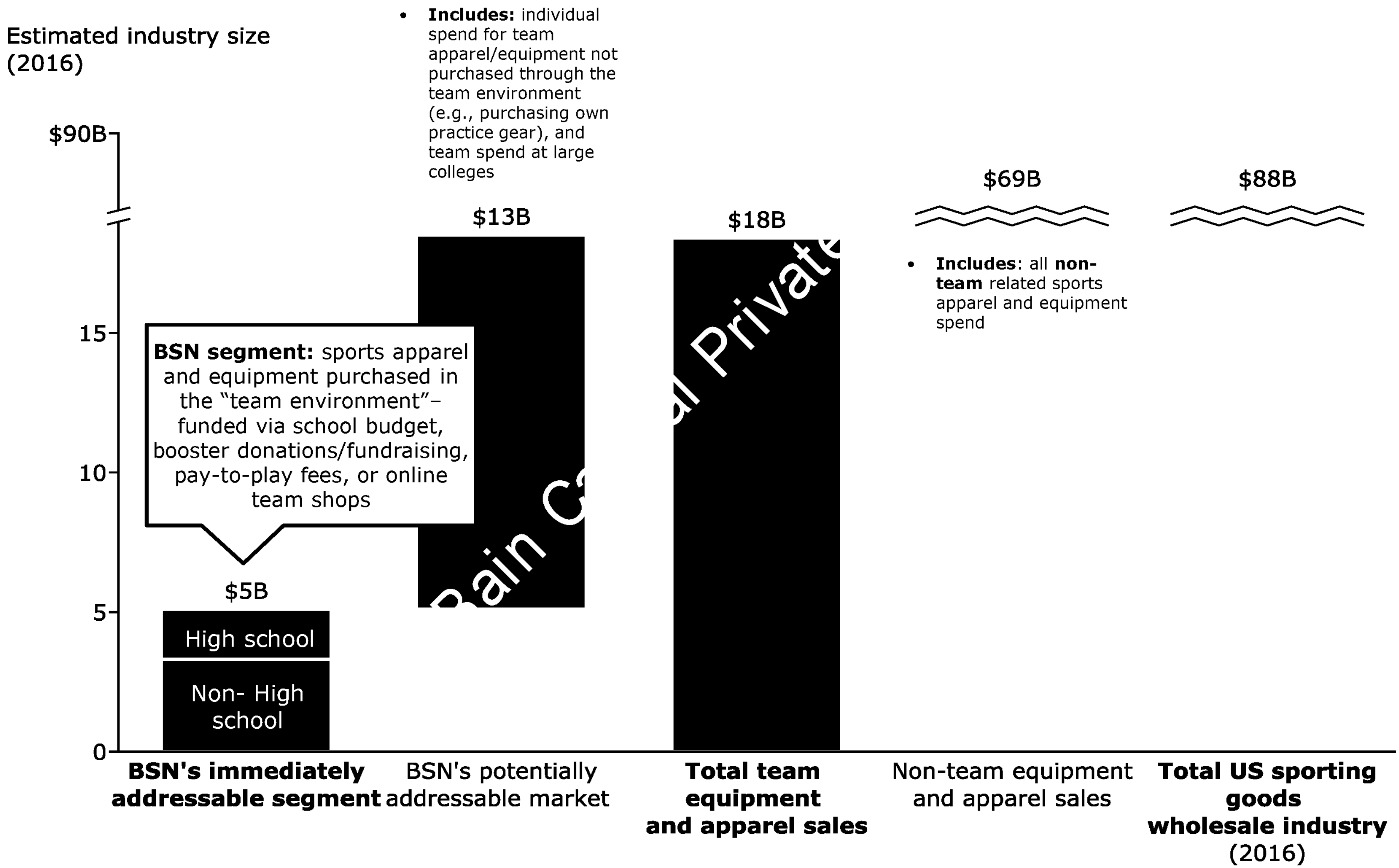
Agenda

- BSN
- Spirit
- Herff Jones

Overall findings: **BSN**

- **BSN's addressable segment of team sports is ~$5B; the high school portion of this segment is ~$1.8B and growing at 2-3% p.a.**
  - Participation growth has been consistently ~1% as schools add more Tier 2 and women's teams; slight headwinds from football safety concerns appear to be stabilizing
  - Spend per athlete has been increasing by ~1-2%, driven by more expensive equipment purchases
- **BSN is the #1 provider of team sports uniforms and equipment,** with leading RMS (and more than 8X the sales reps of Eastbay), and high share in key sports/segments
- **Given its leading share and footprint, BSN is well-positioned to capitalize on opportunities for growth in multiple areas**:
  - **Increasing penetration:** BSN can drive penetration at existing customers and gain new accounts across all segments, especially by focusing disproportionately on the faster-growing women's segment and Tier 2 sports
  - **Hard goods:** BSN can increase share in team-related hard goods market through investing in product offerings (including team equipment and facilities), cross selling, and new school opportunities
  - **Fundraising**: fundraising is an increasingly important channel for schools; coach feedback underscores strong demand for DTC online platforms
  - **Team Art Locker**: consumers have indicated a preference for purchasing more custom-designed, school-branded apparel; the segment is currently highly fragmented, and there is an opportunity for Team Art Locker to gain share

BSN serves the ~$5B team sports apparel and equipment segment within US sporting goods



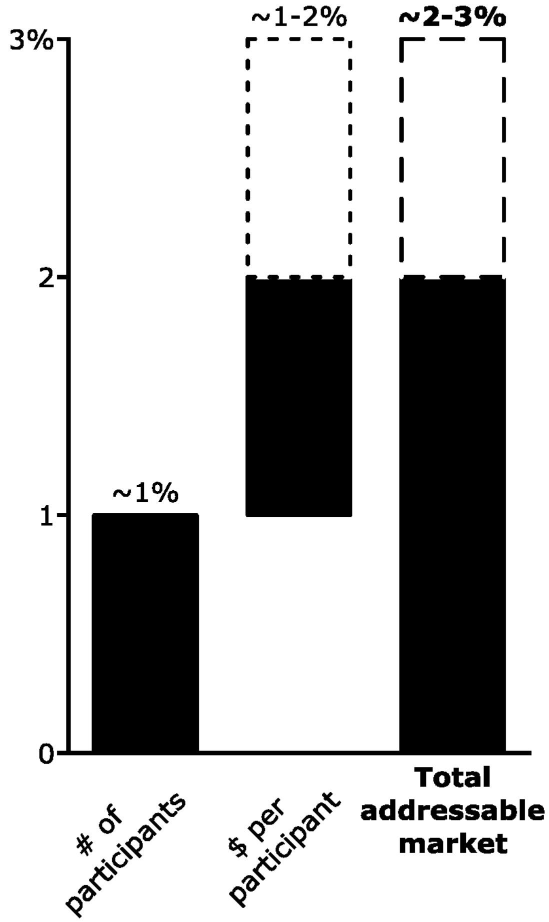
Source: SFIA Manufacturing Manufacturers' Sales by Category Report (2017); company data

BSN’s high school customer base is growing ~2-3% p.a., driven by participation and spend per athlete

HIGH SCHOOL

HIGH SCHOOL SEGMENT IS GROWING AT ~2-3%

Team sports uniforms and equipment growth



	DRIVER	IMPACT	RATIONALE
Participation	a Number of US high schools		• Total number of high schools decreasing slightly at -0.7%; enrollment flat
	b Number of sports per high school		Schools are adding more sports, particularly: • **Women’s sports** participation is growing, and schools are adding more women’s teams • **Tier 2 sports** (e.g., soccer, lacrosse, & volleyball) are gaining in popularity
	c Number of athletes per sports team		• Coaches report number of athletes per team is roughly flat
Spend per athlete	d Shift to more expensive equipment		• Players are buying more expensive equipment, driven by safety concerns, improved tech, and premiumization
	e Shift to less expensive sports		• Growth in low-spend sports (e.g., soccer) relative to high-spend sports (e.g., football) has a neutral effect on overall spend
	f Shift from school budget to fundraising & player-pay		• As school budgets have declined, fundraising and player-pay have increased, causing total spend to remain largely stable

Negative Neutral Positive

Source: NFHS Sports Participation Survey 2006-2017; NSGA Historical Participation 2017; Industry participant interviews

High schools are adding sports teams to accommodate student demand

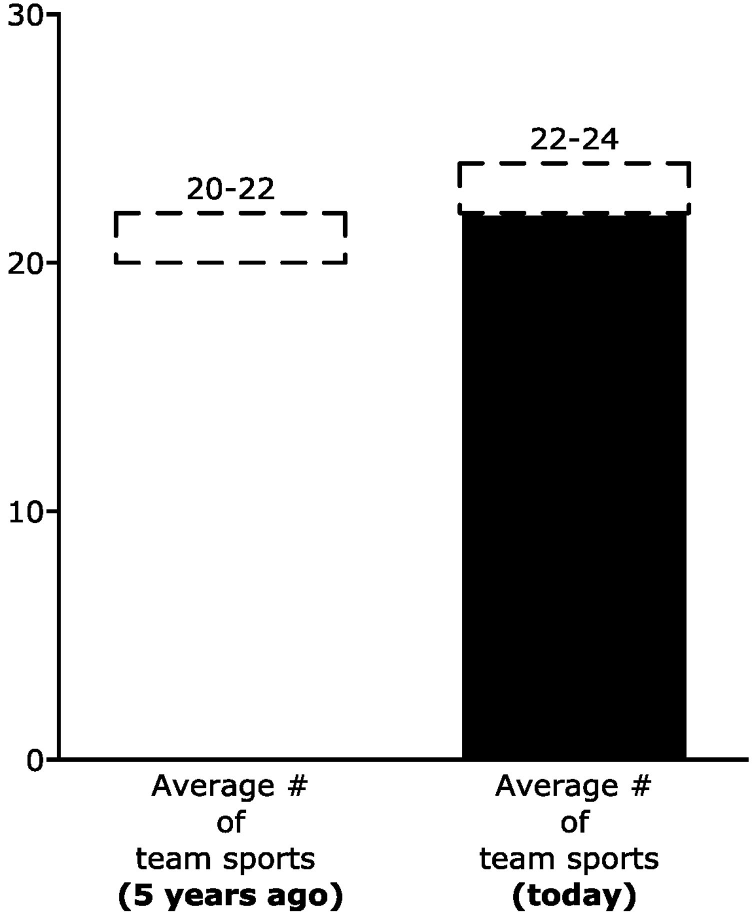
b Number of sports

HIGH SCHOOL

SCHOOLS ARE ADDING ~1-2 TEAMS PER YEAR ON AVERAGE

DIRECTIONAL

Average number of team sports offered
(By school)



COMMENTARY

*"We **keep adding sports**. We just added boys and girls lacrosse and boys volleyball."*

Coach, High School #25

*"We've seen **growth over the last 2-3 years in particular**; we've gotten new coaches that can recruit athletes to play new sports in the school."*

Coach, High School #12

*"A lot of people moving out to our area because of lower taxes; it means we'll **probably end up having to add more teams**."*

AD, School District #1

*"We **added both boys and girls lacrosse** because kids wanted it."*

Coach, High School #14

*"Look at the map of **where population is moving towards**, and that's where high school sports are growing the fastest."*

EVP, Provider #2

Source: Industry participant interviews

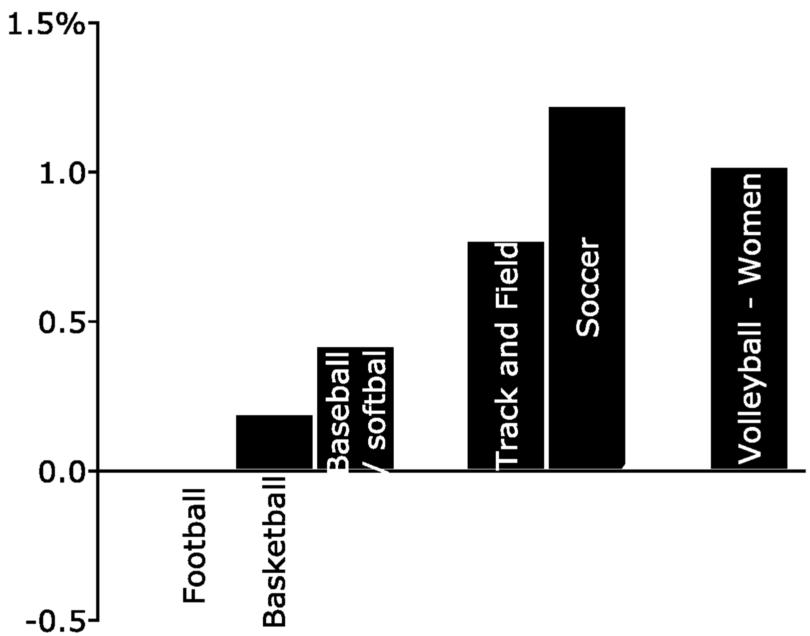
Tier 2 and women's sports are leading the growth

b Number of sports

HIGH SCHOOL

TIER 2 SPORTS ARE OUTPACING TIER 1 SPORTS

Participation growth by sport
(High school sports, 2012-2017)



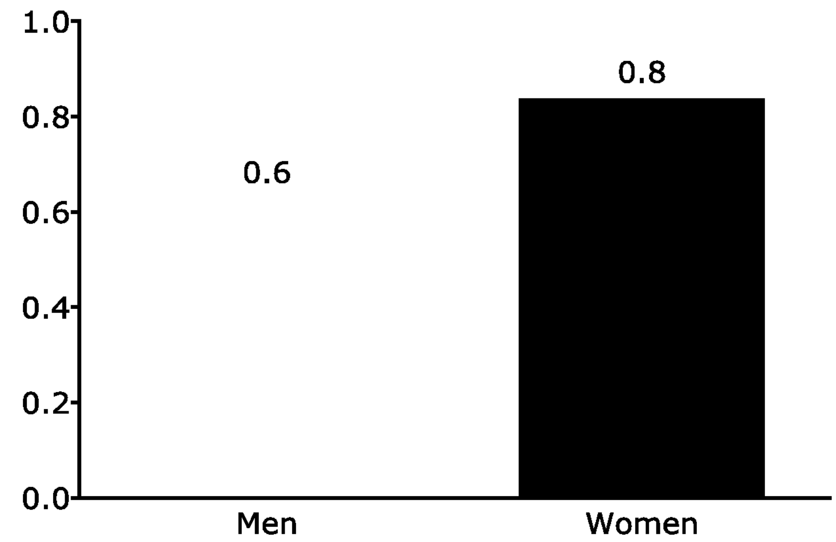
*"For soccer, the growth has been so fast. We see a lot of kids go into football, basketball, baseball, soccer – but out of those **soccer is growing the fastest**."*

Coach, High School #21

SCHOOLS ARE ADDING MORE WOMEN'S TEAMS

DIRECTIONAL

Average team sports added
(Over the last 5 years)



*"Typically, **you're seeing more girls come out**… when we added girls soccer we had 50 kids who wanted to try out on the first day."*

Athletic Director, School District #1

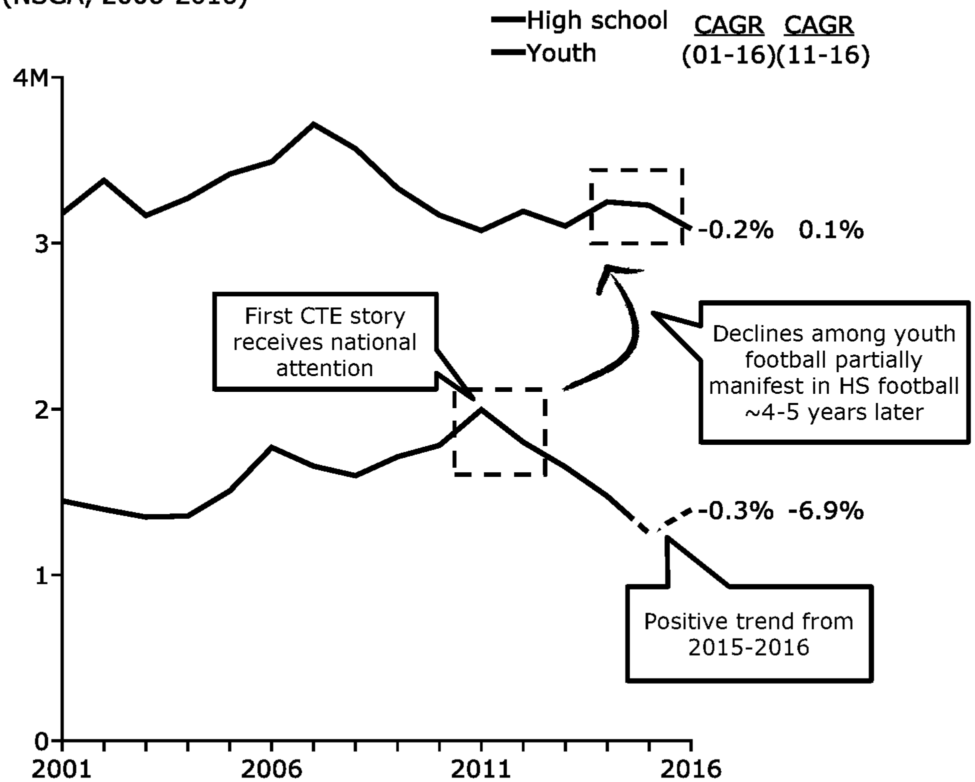
Source: NFHS Sports Participation Survey 2006-2017; Industry participant interviews

Despite recent bad press and safety concerns, HS football participation rates have remained largely flat

b Number of sports

OVERALL FOOTBALL PARTICIPATION RATES ARE FLAT OVER THE LONG TERM

Number of football participants
(NSGA, 2006-2016)



Note: Participation rates shown are 2 year rolling averages
Source: NSGA Historical Participation 2017; Industry participant interviews

RECENT DIP IN YOUTH FOOTBALL PARTICIPATION EXPECTED TO HAVE A MUTED IMPACT AT HIGH SCHOOL LEVEL

Assertion	Rationale
Weak correlation *between youth football participation and high school participation rates*	• Participation rates between youth and high school only loosely correlated (~33% r-squared with a 5 year lag)
Pipeline of high school football players ***not participating in youth football***	• Youth football has contributed less than 50% of high school players (HS 10 year average of ~3.3M, youth 1.6M)
Parents are ***delaying youth participation*** *in contact football due to injury risk, but still participating in contact football*	• Youth flag football has grown at 4% the past 3 years • Many of these youth switch to tackle in high school
High schools and coaches *expect football participation at the high school level will* ***remain strong***	• 80% of coaches interviewed said they expected football participation rates in the next 5-10 years to remain about the same or to increase
High school coaches have not ***reported drop off in tryouts***	• The majority of coaches interviewed report tryout numbers have stayed about the same

Spend per athlete growth is largely a function of players buying more expensive equipment

d) More expensive

HIGH SCHOOL

HIGHER SPEND IS DRIVEN PRIMARILY BY PLAYERS PURCHASING MORE EXPENSIVE EQUIPMENT

More pieces

- **No evidence** that high school athletes are purchasing more equipment
- As **specialization increases**, athletes less likely to purchase gear for multiple sports

More expensive

Specialization

*"There's **more specialization** going on and more options in sports and equipment. If you're playing only one sport, like football, I think you're **more likely to buy a nicer helmet**."*

Coach, High School #9

Premiumization

*"A lot of our **uniforms are going to sublimation**, which is more expensive."*

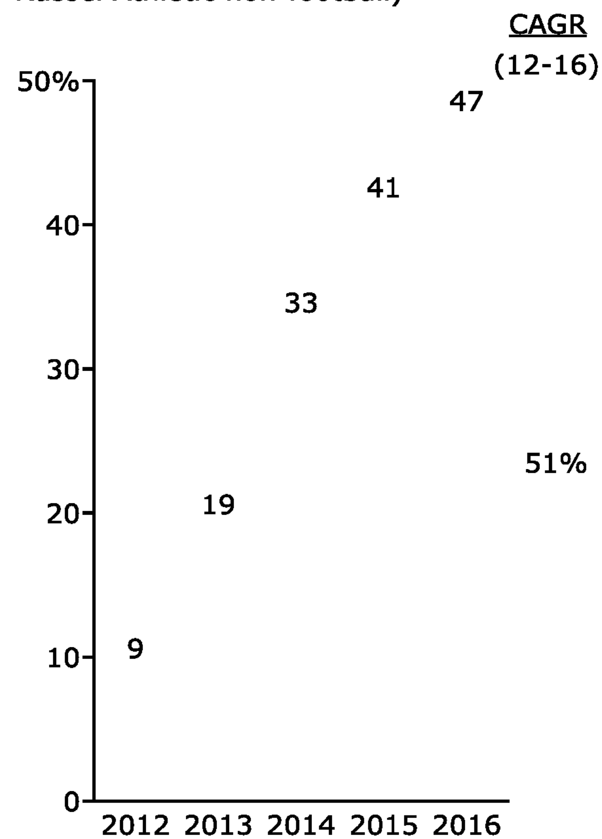
Athletic Director, School System #1

*"It's **so important to have the coolest and nicest uniforms** – it's almost like an arms race. The kids love it."*

Coach, High School #14

SUBLIMATED UNIFORMS (EXAMPLE)

Digital / sublimated uniform units (% of total, estimated via Russel Athletic non-football)



Source: Varsity Brands Strategic Plan (2017); Industry participant interviews

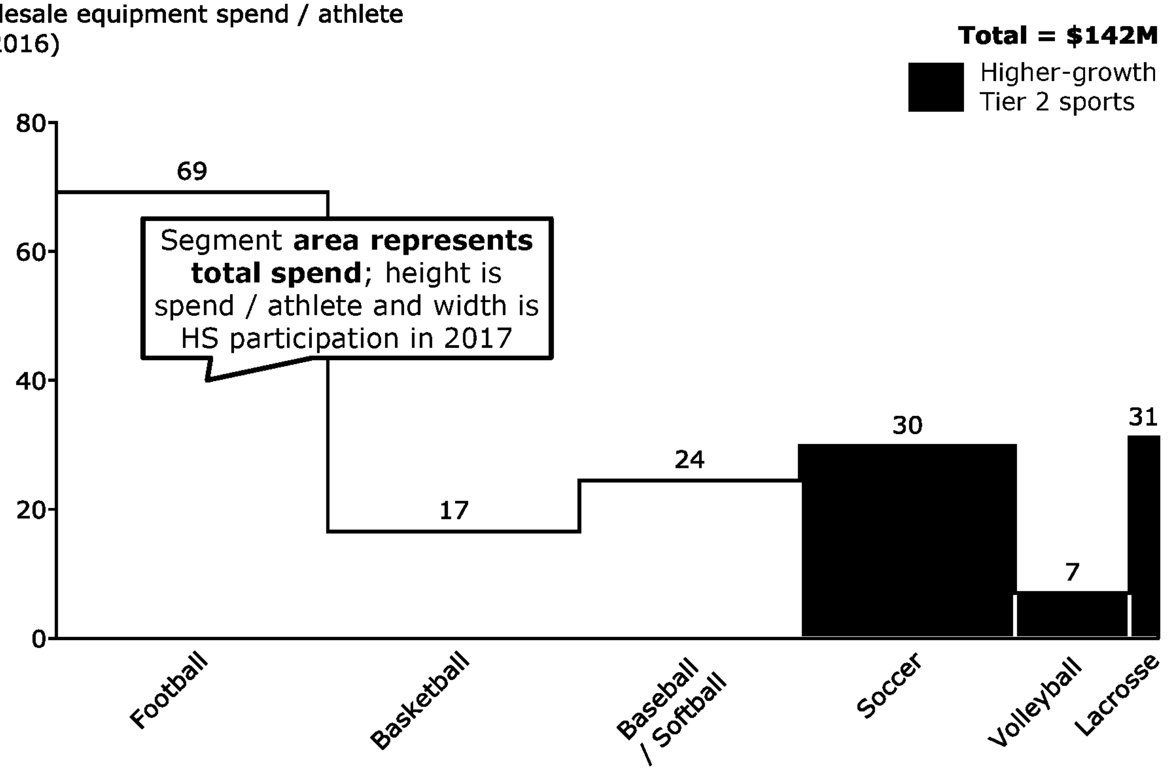
There is some overall mix shift toward lower-spend sports, but net effect on spend growth is neutral

e) Low-spend shift

HIGH SCHOOL

ALTHOUGH LOWER-SPEND SPORTS ARE GROWING FASTEST…

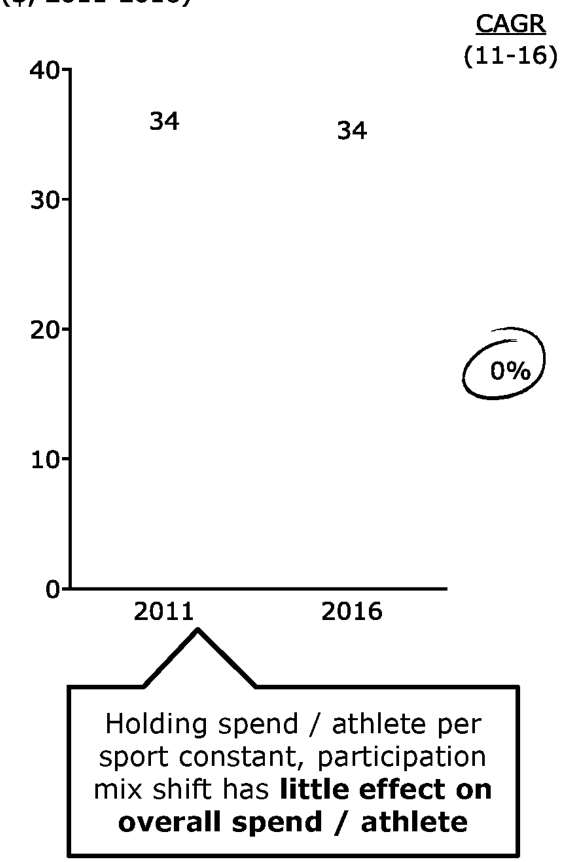
Wholesale equipment spend / athlete
($, 2016)



	Football	Basketball	Baseball / Softball	Soccer	Volleyball	Lacrosse
Participation (2017, M)	1.1	1.0	0.9	0.8	0.4	0.1
Participation growth ('11-'16)	-0.7%	0.2%	0.4%	1.2%	1.0%	2.0%

…NET EFFECT ON SPEND IS NEUTRAL

Weighted average spend / athlete
($, 2011-2016)



Note: Average spend / athlete only shown for select Tier 1 and Tier 2 sports
Source: NSGA Historical Sporting Goods Report (2017); NFHS Sports Participation Survey 2006-2017; NSGA Historical Participation 2017; SFIA Manufacturers' Sales by Category Report (2017);

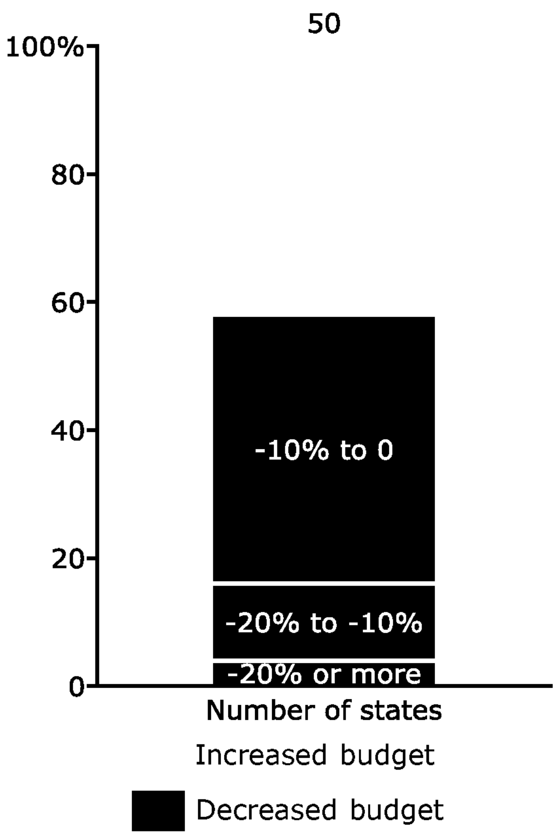
Overall spend is growing, even as funding shifts more to player-pay and fundraising

Player – pay

HIGH SCHOOL

MOST STATES HAVE DECREASED BUDGETS…

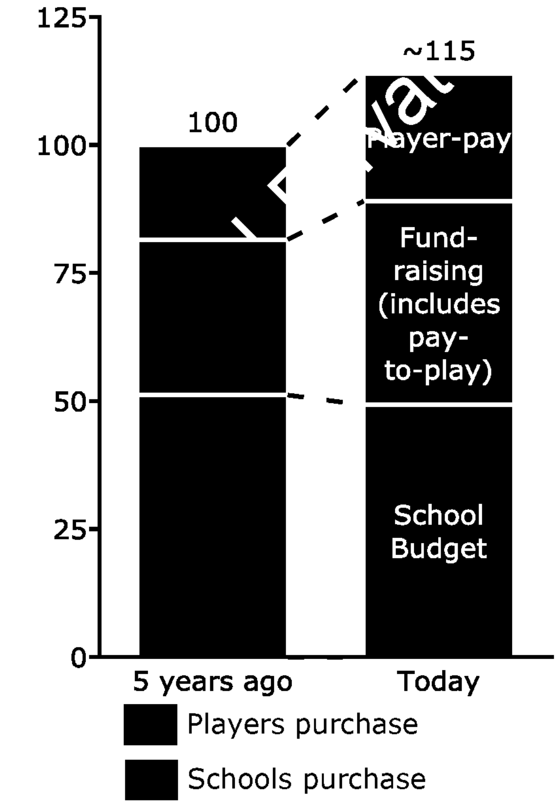
Number of states with increases / decreases in total local and state funding per student (2008-2015, inflation adjusted)



…BUT FUNDRAISING IS MAKING UP THE GAP…

DIRECTIONAL

Spend-per-athlete (indexed, last 5 years)



…LEADING TO OVERALL SPEND REMAINING STABLE

"It's stayed about the same for us over the last 5 years – I think ***what's driving more player spend is there is so much more access*** *to better equipment."*

Coach, High School #19

"For example, we ***fundraised to help build a storage shed*** *– I feel like 20 years ago, the school would've just built us a storage shed."*

Coach, High School #13

"The difference between the budget and fundraising has stayed about the same – it does seem like the amount of ***money we need keeps going up and up****."*

Coach, High School #15

"We had to do ***more fundraising through the Booster Club*** *because our athletic budget was getting smaller."*

Coach, High School #14

Note: Fundraising defined as all money raised outside of the school budget, but where the school still has purchasing decisions; Player pay defined as everything the player (or parent) pays for where they make the purchase decision
Source: Center on Budget and Policy Priorities (2017 - 2015 survey is latest data available); Industry participant interviews

BSN is the #1 scale player in team sports uniforms and equipment

Distributor	Position: Share	Position: RMS	Salesforce	DIFFERENTIATED OFFERINGS
BSN SPORTS	**~15%**	**~13**	~850	• Deeper & broader product line than Eastbay and local providers • Best-in-class service model
Eastbay	**~1%**	**0.1**	~50-100	• Superior customization and color offerings • Sophisticated website
Local and regional providers (>3,000 players)	**~80%**	**N/A**	~1-20 reps each	• Niche products, but smallest overall offering
DICK'S SPORTING GOODS Big-box	**<5%**	**N/A**	<5	• Broad and deep product offering across multiple brands, yet limited team customization options

Source: Varsity Brands Strategic Plan 2017; Expert Interviews Oct 2015; BSN Customer Interviews Oct 2015; Vault.com

There are multiple growth opportunities for BSN

PRELIMINARY

		1 Account penetration: a New accounts	1 Account penetration: b Existing accounts	2 Grow share in hard goods	3 Increase share in DTC fundraising
Opportunity rationale		• Share is ~15% across segments, with room to grow in key areas, including high school, college, middle school, and youth	• Schools are adding more women's and Tier 2 sports • BSN currently under-indexed in women's sports	• Hard goods (equipment, facilities) is a large and fast-growing industry • BSN has opportunity to further penetrate market	• Fundraising increasingly important as school budgets shrink • Significant DTC opportunity exists in fundraising
Size of full potential opportunity	*Sales*	~$50-100M per year (assuming 1pt of share gain annually)	~$320-600M	~$600-900M	~$50-130M
	*GP**	~$20-40M	~$120-220M	~$220-330M	~$20-50M
Ability to win		• BSN is leader, with **largest salesforce** • Product offerings **spanning from branded gear to high-end private label** aimed at multiple segments	• Demonstrated **ability to increase penetration**, growing avg. teams from 2 to 4 per school • BSN can capture women's spend by **improving its sales process** and focusing on **product offering**	• Decision-makers **prefer to consolidate** vendors, and would be open to buying from BSN • **Highly competitive space**; product line and salesforce would need to be optimized	• BSN's **MyTeamShop offering has grown** at ~39% the last 5 years • Coaches indicate **strong interest in using MyTeamShop offerings** • FanCloth has **over 10K coaches**

4 Investments in **Team Art Locker can be an enabler** across multiple opportunities; feedback shows consumers are interested in purchasing more custom-branded apparel

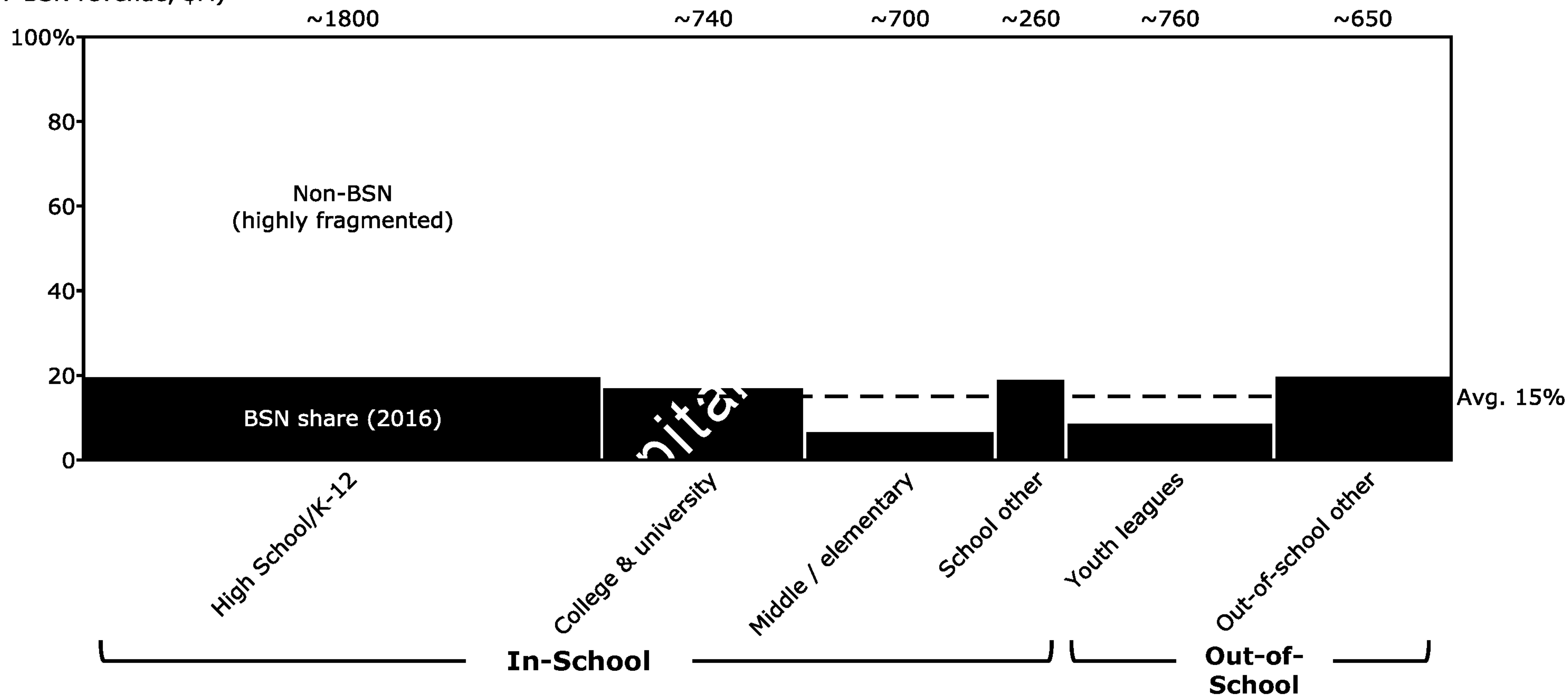
*Assumes average gross margin of ~36% across categories per company estimates
Source: NSGA Historical Sporting Goods Report (2017); NFHS Sports Participation Survey 2006-2017; NSGA Historical Participation 2017; SFIA Manufacturers' Sales by Category Report (2017); Industry participant interviews; Consumer Survey (N = 1500); Company data

New accounts: There is significant whitespace to expand reach across customer segments

1a) **New accounts**

Addressble segments
(2017 BSN revenue, $M)

Total = ~$5B



Includes sports apparel & equipment bought in the 'team environment' (funded through the school budget/booster donations/pay-to-play fees, or through online team shops)

1-2pp share gain = ~50-100M sales opportunity

Note: Assumes $849M in BSN revenue with 10% haircut to account for corporate and consumer direct; "Out-of-school other" includes Church, Government, and Camp; "School other" includes District; segment size excludes corporate and consumer direct
Source: Company data, Bain-BSN Regional Sales Manager Interview, Expert Interviews Oct 2015, Customer Interviews Oct 2015

Target segments for new accounts have varying needs; BSN is well-positioned to address

1a) New accounts

	POTENTIAL OPPORTUNITY SIZE	CUSTOMER NEEDS	ENABLERS
HIGH SCHOOL	●	• Custom-designed uniforms, equipment, and team apparel • Brand a strong KPC • Price sensitive • Can operate on longer lead times, but require responsive customer service	• Robust and responsive **field salesforce** • Latest **branded products**, as well as **high-end private label** products with strong design • Fundraising and **DTC support**
COLLEGE	◕	• Custom-designed uniforms, equipment, and team apparel • Brand a critical KPC	• Robust and responsive **field salesforce** • Latest **branded products**
MIDDLE SCHOOL	◑	• Custom-designed uniforms and some equipment • Highly price sensitive and looking for best value • Brand not a major KPC • Operate on shorter lead times	• **Inside salesforce** that can generate leads and respond to customers • Latest **branded products**, as well as **high-end private label** products with strong design
YOUTH AND SELECT	◑	• Custom-designed uniforms and some equipment • Highly price sensitive and looking for best value • Brand not a major KPC • Operate on shortest lead times	• **Inside salesforce** that can generate leads and respond to customers • **High-end private label** products with strong design

● **Largest opportunity** ◔ **Smallest opportunity**

Strategic segmentation of colleges could enable share gain

1a) **New accounts**

COLLEGE OPPORTUNITY SEGMENTED BY SIZE

D1 TOP TIER (128 SCHOOLS)

- **Power 5 football conferences** are included in Top Tier: ACC, Big 12, B1G, Pac-12, SEC
- BSN currently supports Nike Sports Marketing in reaching non-NCAA sanctioned sports (e.g. intarmurals, club) in a few of these schools

D1 MID-MAJOR (219 SCHOOLS)

- Includes non-"Power 5" Top Tier schools + Mid-majors
- Brands may sponsor a single sport within a school, leaving the rest open
- Demand for direct access to Nike products and customer service + e-commerce solution

D2 AND BELOW (1.6K+ SCHOOLS)

- Coaches are overwhelmed with multiple responsibilities
- Relationships are brand-led (e.g. UA and Adidas provide aggressive comp packages)
- Use local dealers for quick access, high-touch service
- Largest revenue potential
- Demand for 24/7 access to salesperson and high-touch customer service + e-commerce solution

BSM CAN TARGET EACH SEGMENT WITH A SPECIALIZED STRATEGY

- A **three-division** customer segmentation strategy:

D1 TOP TIER

Power 5	Non-Power 5

- Assign each account a **dedicated BSN executive**
- Build **internal salesforce**, centered around a D1 Specialist + operations manager, customer service team, artists, etc.
- Dedicated service team in Dallas for **hard goods**
- Sports marketing strategy to **effectively recruit Power 5 accounts** in particular
  - Field specialists
  - Geographic alignment
  - Formalize relationship with Nike Sports Marketing

D2 AND BELOW

- Aggressively pursue customers currently serviced directly by brands; target local-level management
- Build out business development capabilities across key geographies
- Work directly with brands to negotiate financial terms

Source: BSN College 2020 Presentation

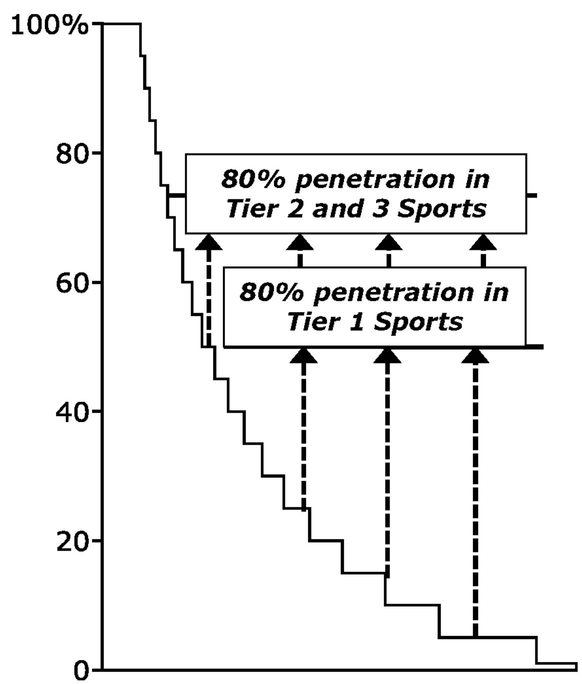
Existing accounts: Penetration opportunity for existing accounts could be more than $500M

1b) **Existing accounts**

PRELIMINARY

HIGH SCHOOLS

BSN Penetration (FY15)
All High Schools

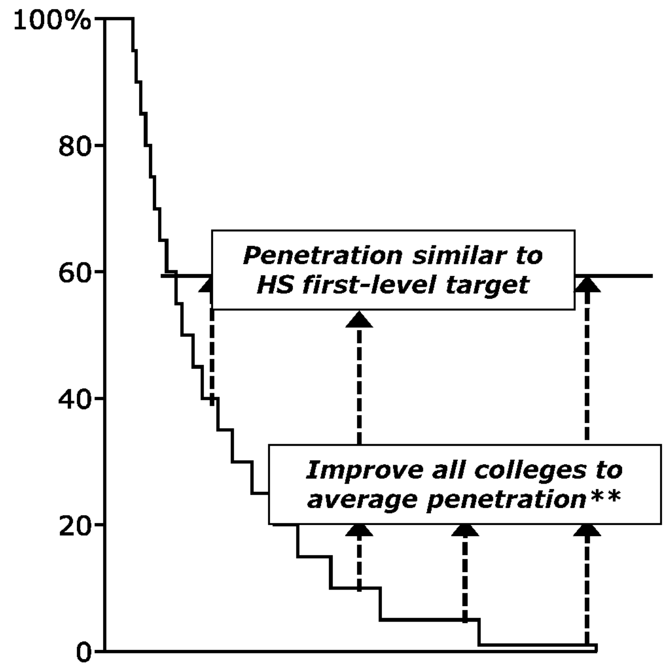


~9500 BSN Customers*

$220-345M sales opportunity

COLLEGES

BSN Penetration (FY15)
Varsity College Sports

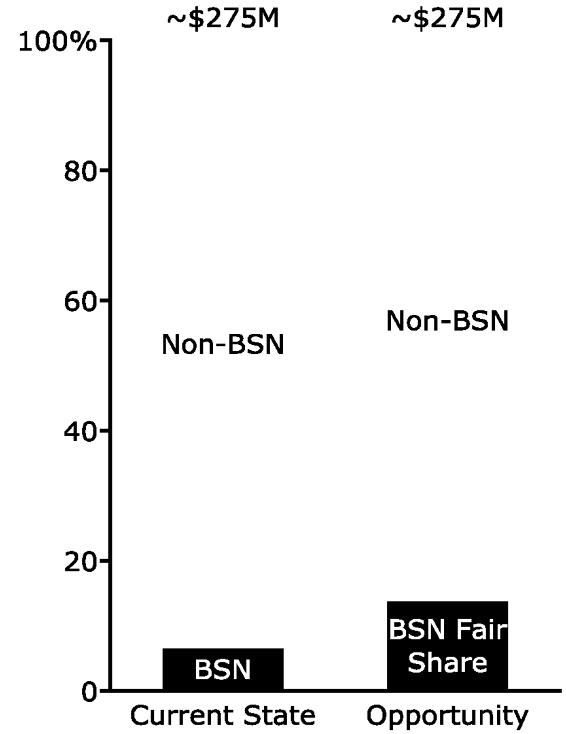


~1100 BSN Customers*

$20-130M sales opportunity

MIDDLE SCHOOLS

BSN Share within
Middle School



$10-30M sales opportunity

*Greater than $1K in Net Sales Entered annually; **Division 1 (non-power conference schools) elevated to lowest division penetration (D3)
Note: Opportunity size based on regression model and expert interviews; NSE excludes Tomark Installation and freight; High schools excludes magnet and charter schools; High schools includes both Combined (K-12) and Senior High Schools; Excludes any accounts with no matching MDR ID
Source: Company Data; MDR Database; 2014 US Census

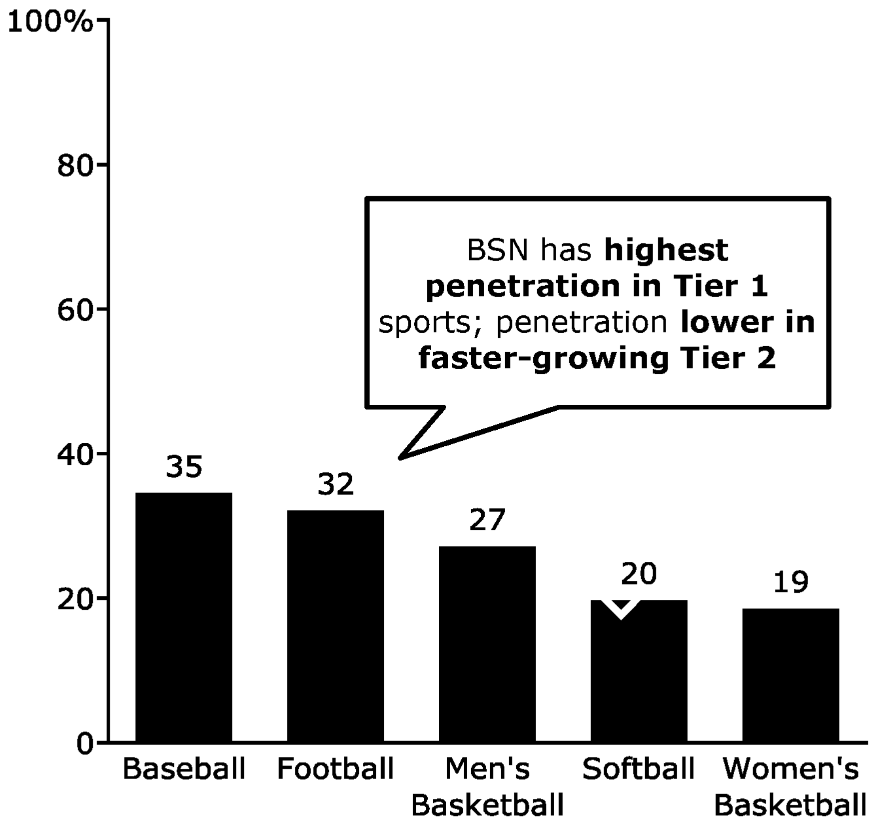
BSN penetration in Tier 1 sports is 20-35% today

1b) **Existing accounts**

HIGH SCHOOL

BSN PENETRATION ~20-35% AMONG TIER 1 SPORTS

BSN penetration by sport
(Tier 1 only)



OPPORTUNITY TO LEVERAGE LARGE SALESFORCE TO INCREASE PENETRATION

*"Delivery missteps are a huge issue – number one. **If you get burned on that, it'll kill the relationship.** Price is a close second."*

Senior Sales Manager, Provider #1

*"**Service is really up there** [as a KPC]. It's the hardest thing– people really struggle servicing this industry. **It's a lot of relationship stuff** – a lot of 'buddy' or 'friend'."*

EVP, Provider #2

*"Price is a part of it, but **customer service and stock are what's really important.** A lot of times we've had to deal with items that are out of stock and are back-ordered."*

Coach, High School #3

*"Relationship plays a fair amount of importance for us…we tend to **continue purchasing from reps when we have a relationship** with them."*

Coach, High School #3

Note: Assumes total size of $1.7B in high schools; split by sport based on avg. spend by sport from customer survey; High schools includes both Combined (K-12) and Senior High Schools;
Source: Company data, Bain-BSN Customer Survey (N = 1561)

Under-served women's sports present additional penetration opportunity

1b) **Existing accounts**

WOMEN'S TEAMS ARE CURRENTLY UNDERSERVED

*"Yeah they really just flock to the men's teams. I mean, **for the past 5 years our girls have been ordering men's shoes**."*

Women's Basketball Coach, High School

*"Girls and young women are one of [the sporting good industry's] **fastest growing-markets**, and **one of its most-ignored**."*

Washington Post, 2014

*"I've noticed them **approaching [the girls' teams] differently**. Our uniforms are often ordered as men's sizes, and then **the girls just have to fold them**. They're not built to fit them the right way, and we aren't being offered that… I haven't had a chance to really look at others, but **that would be a huge benefit. I mean, does someone like BSN do this?**"*

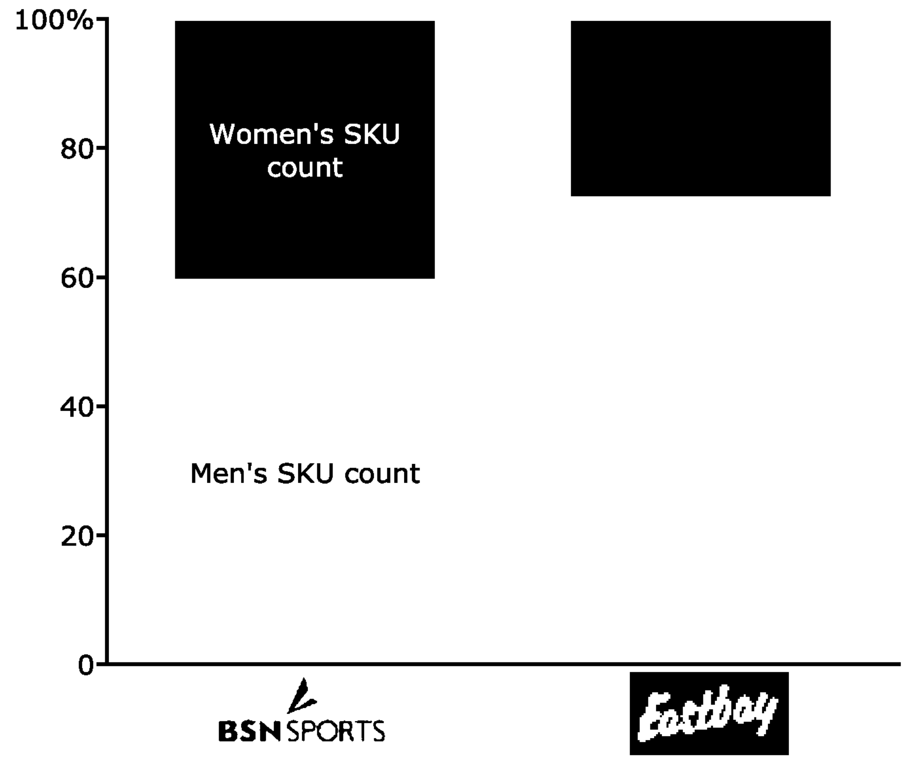
Girls Athletic Coordinator, High School #26

*"One of the things that the team industry is just **not doing a good job of is really attacking women's sports**."*

EVP, Provider #2

BSN COULD BE THE FIRST MAJOR DISTRIBUTOR TO DIFFERENTIALLY TARGET WOMEN

Product count
(as available on websites)



Note: BSN men's and women's SKU counts measured as products tagged as "men's" or "women's" in the Apparel category on BSNSports.com; "youth", "Officials", and "Accessories"-labeled apparel excluded from analysis
Source: NSGA Historical Sporting Goods Report (2017); NFHS Sports Participation Survey 2006-2017; NSGA Historical Participation 2017; SFIA Manufacturers' Sales by Category Report (2017); Industry participant interviews; Company websites

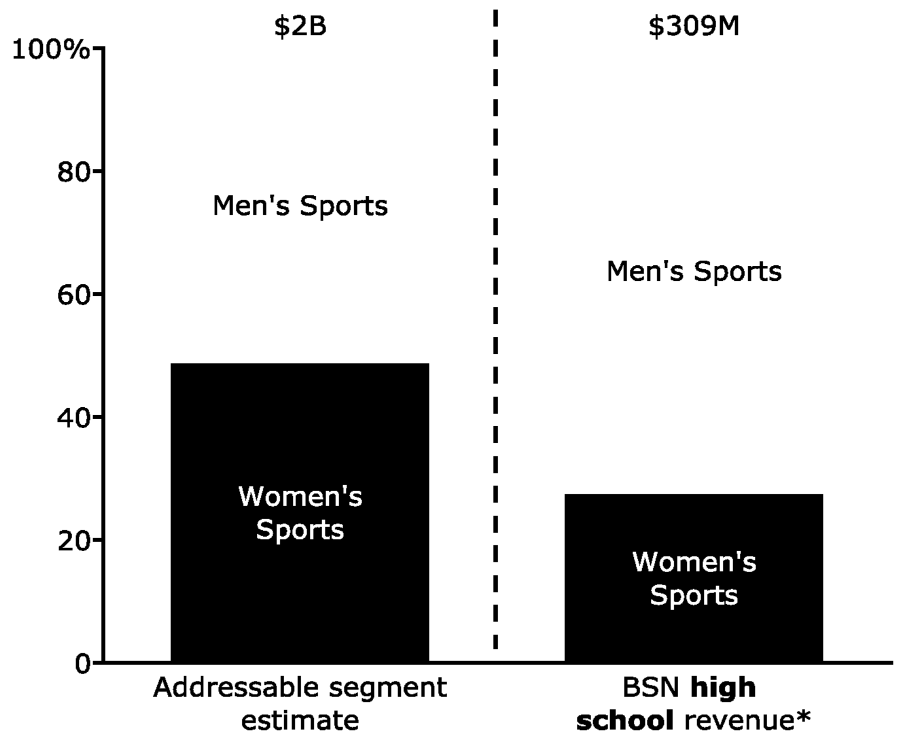
BSN is well-positioned to capitalize on growth in women's sports

1b) **Existing accounts**

HIGH SCHOOL

COMPARISON OF BSN TO INDUSTRY SUGGESTS AN OPPORTUNITY IN WOMEN'S

Sales by gender
($, 2016)



*Fair share implies **~$70M sales opportunity** for BSN*

BSN IS WELL-POSITIONED WITH INDUSTRY-LEADING RMS, SALESFORCE

- Capture **fair share** by identifying **highest opportunity schools** with significant men's sport penetration
- Win additional share through continued investment in **sales teams specifically dedicated to women's sports**
  - Increase hiring of former female athletes
  - Work with brands to ensure robust female product offering
- Women's coaches care about **quality and service**; a **sales strategy optimized around these KPCs** could drive share gain

*"We use BSN sports and **they serve [our boys and girls teams] equally. They really do a great job**… the service is **about the same**."*

Coach, High School #24

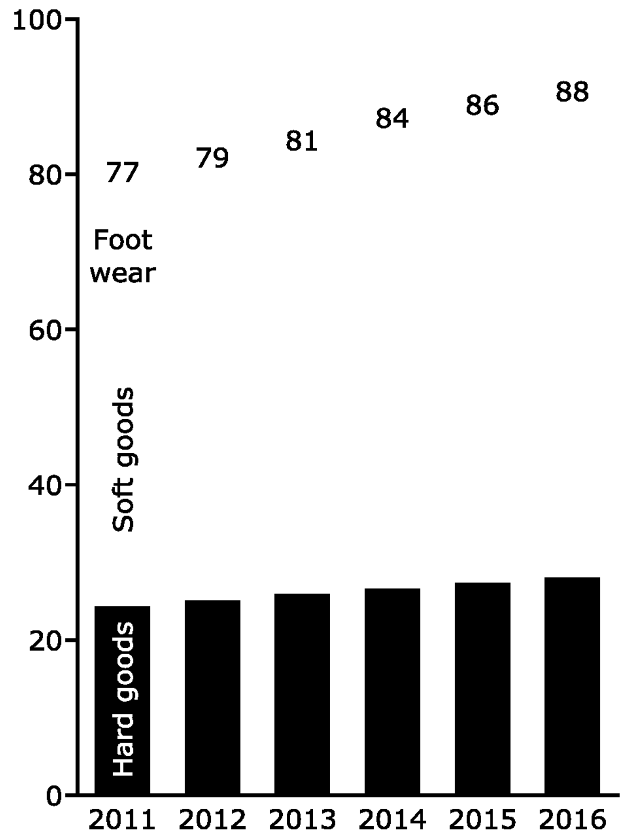
Note: *Used split available from select sports (baseball, basketball, bowling, dance, football, soccer, softball, tennis, volleyball, weightlifting, ~80% of HS revenue)
Source: NSGA Historical Sporting Goods Report (2017); NFHS Sports Participation Survey 2006-2017; NSGA Historical Participation 2017; SFIA Manufacturers' Sales by Category Report (2017); Company websites; Industry participant interviews

Hard goods: hard goods (team equipment and facilities) is a ~$28B industry, growing at ~3%

2 **Hard goods**

HARD GOODS ARE GROWING AT ~3% P.A.

US wholesale sporting goods sales by product type
($B, 2011-2016)



Examples include:	CAGR (11-16)
• Cleats, turfs, basketball shoes	3.2%
• Apparel (e.g. jerseys, shirts, socks), headwear, towels	2.2%
• More addressable to BSN (coach is purchaser): Balls, nets, mats, racquets, etc. • Addressable, but AD or principal relationship is buyer: Bleachers, chairs, scoreboards, etc.	2.9%

COMMENTARY

"We send our helmets out to be refurbished every year, and ***every year we end up ordering new ones****."*

Coach, High School #4

"Kids are ***buying better equipment*** *– if you can afford it, you're upgrading."*

Senior Sales Manager, Provider #1

"At our schools, we're probably ***spending slightly more on equipment****. We only buy uniforms every 3-4 years, or longer if we can stretch it out. But,* ***we're buying field and game equipment of some sort every year****."*

AD, School District #1

"We've seen ***investments in better equipment recently****. We just upgraded our gym mats and gear."*

Coach, High School #7

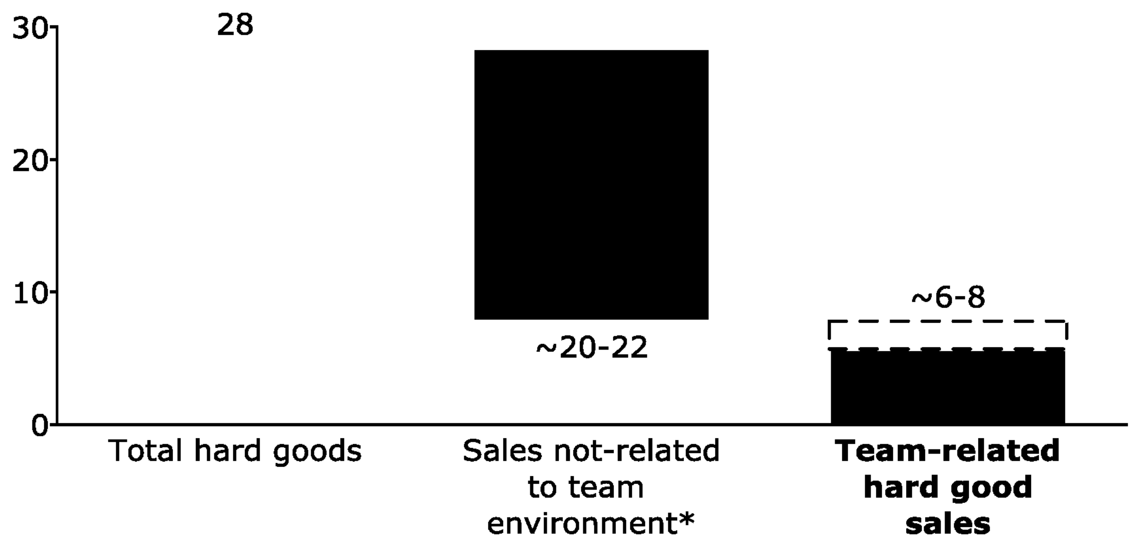
Source: NSGA Historical Sporting Goods Report (2017); NFHS Sports Participation Survey 2006-2017; NSGA Historical Participation 2017; SFIA Manufacturers' Sales by Category Report (2017); Industry participant interviews

Hard goods opportunity could be close to $1B for BSN assuming 15% share of team-related market captured

2 **Hard goods**

LARGE OPPORTUNITY FOR BSN TO GROW HARD GOOD SALES…

BSN addressable hard goods
($B, 2016E)



Total hard goods sales opportunity is ~$0.8-1.2B across team-related hard goods market assuming BSN can reach 15% share
(BSN currently does ~$0.3B in hard goods sales)

Gaining share in broader hard goods market requires expanding DTC platform and focusing on salesforce effectiveness in underserved segments (e.g., college)

…CONTINGENT ON INVESTING TO WIN

BSN will have to expand product and capabilities to win in hard goods:

- **Optimize and enhance hard goods product offering** to be best-in-class
- Train salesforce on **most effective cross- and up-selling techniques** (e.g., walk-throughs)
- **Invest in DTC platforms** to differentially target hard goods opportunity

Customers who do purchase hard goods rate BSN favorably

*"Almost everyone I know uses BSN Sports. If you go **exclusive with them for uniforms and equipment, you get a lot of discounts**, and that's all you can really ask for: quality, honesty, and discounts."*

Coach, High School #9

*"We can **get pretty good stuff and prices** because we consolidate with BSN."*

AD, High School #8

Note: *Assumes ranged ratio of addressable as overall segment, based on $18B team spend and $88B total sports industry v. $5B addressable and $18B team spend; assumes share of 15% based on share of addressable segments today
Source: NSGA Historical Sporting Goods Report (2017); NFHS Sports Participation Survey 2006-2017; NSGA Historical Participation 2017; SFIA Manufacturers' Sales by Category Report (2017); Industry participant interviews

Fundraising: BSN offers several DTC platforms that serve fundraising needs

3 Fundraising

PRELIMINARY

	BSN SPORTS	MY TEAM SHOP	SIDELINE STORE	Fan CLOTH
Desc.	• Team sports uniforms, apparel and equipment business	• Custom online shop for specific teams to fundraise and sell apparel and gear • Open for a finite period	• Custom online shop for school and spirit apparel • No time period	• Physical catalog/online shop that allows fans of schools/ teams to pay for custom merchandise and donate a portion • Open for a finite period
Product	• Uniforms • Team apparel • Footwear • Equipment	• Custom team apparel • Footwear • Equipment	• Custom school apparel	• Apparel • Accessories
Buyer	Coaches	Players and parents	Players, parents, fans	Players, parents, fans
BU overlap	BSN	BSN, Varsity	BSN	BSN
Use case *(examples)*	 LIGHTWEIGHT SCRIMMAGE VESTS High school football coach purchases 20 practice scrimmage jerseys for the entire team	 Basketball coach designs team apparel with player names and school logo; sends expiring purchase link out to players and parents	 High school AD designs multiple pieces of spirit wear with school logo; students purchase from online shop year-round	 Baseball coach designs a catalog of merchandise (e.g. shirts, blankets) with school/team logo; students purchase year-round

Fundraising avenues for teams & schools

Source: Varsity Brands Strategic Plans (2017); Company website

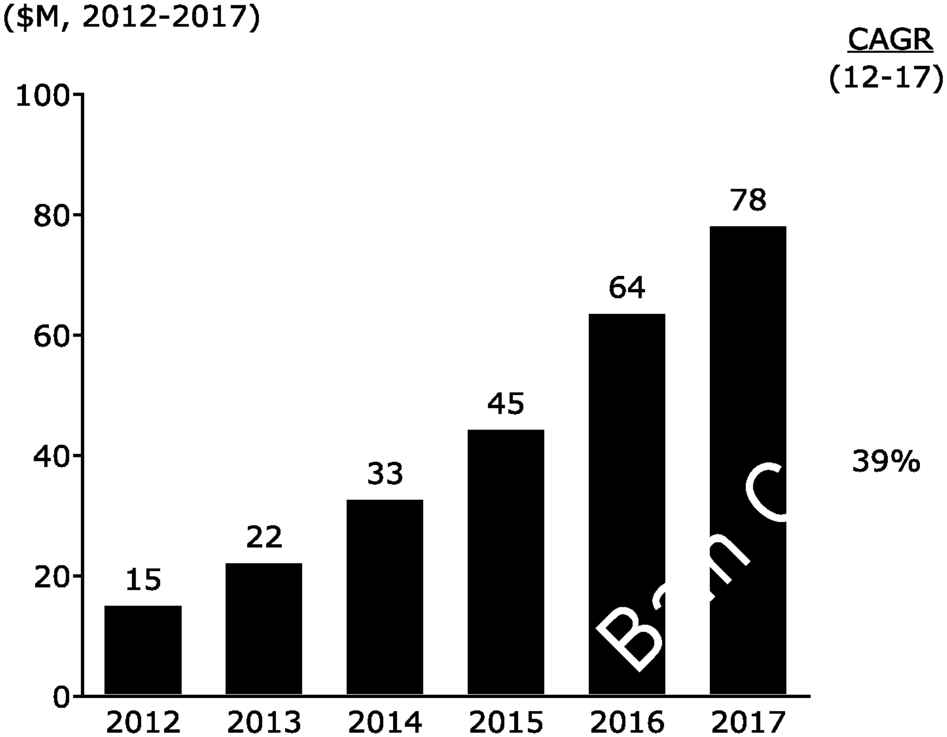
MyTeamShop has grown at ~39% p.a. since 2012; coaches say interest is high

3 **Fundraising**

PRELIMINARY

BSN HAS SEEN STRONG GROWTH IN ONLINE / DTC SALES

MyTeamShop net revenue
($M, 2012-2017)



Continued growth implies
~$50M-$130M+ in incremental sales
*by 2020**

COACHES SHOW DEMAND FOR MYTEAMSHOP AND SIDELINE STORE

*"We've started using online portals to set up team shops – it was **easier for us to be out of the picture entirely**. Since we're a public school, every time we wanted to organize an apparel order, we had to go through a complex purchasing order process. Now, **parents and players can just buy what they want**."*

Coach, High School #25

*"We've set up periodic online purchasing – usually around Christmas or when the season starts. **For us, it's a fundraising avenue**. We've been selling polos, quarter zips, and even Tervis mugs."*

Coach, High School #6

*"We have **huge demand for an online shop**, and there's not really a good one that we've come across. It's either extremely generic looking or you can only do one-off orders. **Something specific to our school that we can sell custom-apparel through**, especially to students and alumni, that's something we're really exploring. I honestly think it's a huge opportunity."*

AD, High School #8

Notes: *High-case CAGR of 39% (MyTeamShop 2012-2017 revenue CAGR), low-case CAGR of 19% assumed
Source: Company data; Industry participant interviews

Team Art Locker: consumer sentiment suggests there is a large opportunity for custom apparel

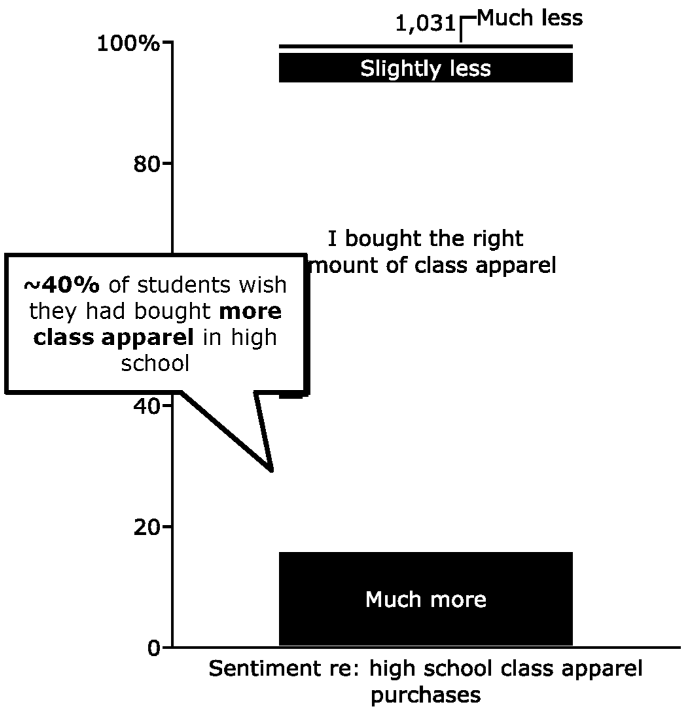
4 **Team Art Locker**

HIGH SCHOOL

THERE IS CONSUMER DEMAND FOR CUSTOM, SCHOOL-BRANDED APPAREL

Which statement below describes how you feel about the amount of [custom] class apparel you bought in high school?
A: "I wish I had bought…"

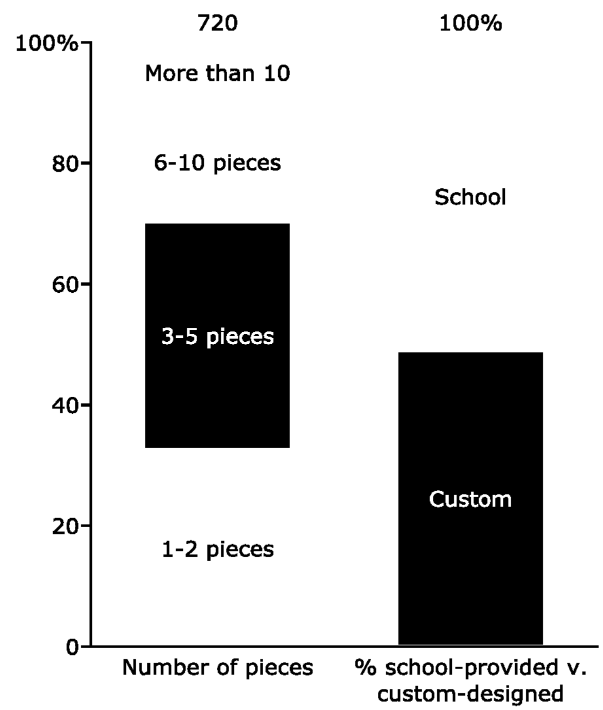
No. of respondents / % estimate



STUDENTS OWN ~3 PIECES OF SCHOOL-BRANDED APPAREL…

How many pieces of school-branded apparel / accessories did you own?
What percentage of these items were provided by the school or custom-designed?

No. of respondents / % estimate



…SUGGESTING TOTAL SPEND OF ~$700M

$21 average price per piece of custom apparel*

✖

3 pieces of custom school-branded apparel per purchaser

15M current high school students

✖

70% share of high schoolers who purchase custom apparel**

~$700M Total size for custom-branded, school apparel

Notes: *Average price calculated as the average response to the question "What's the average price per piece [of the school-branded apparel/accessories that you owned in high school]?"; **Based on response to question "Did you buy custom branded apparel…"
Source: Consumer survey (N=1500)

Custom apparel is highly fragmented, and few competitors focus on the school and athletic segment

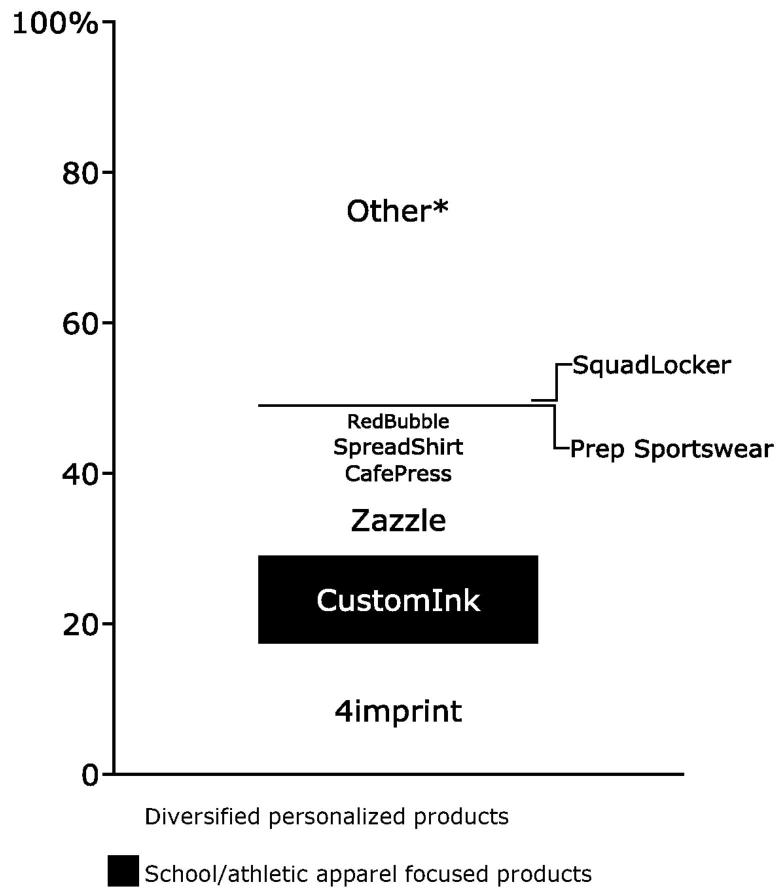
4 **Team Art Locker**

PRELIMINARY

CUSTOM GOODS IS HIGHLY FRAGMENTED…

DIRECTIONAL

Estimated share ($M)



…AND PLAYERS SPAN A RANGE OF CAPABILITIES

PLATFORM	EST. REVENUE	DESCRIPTION
BSN SPORTS Team Art Locker	N/A *[Not a revenue-generating BU]*	• Online platform to design custom artwork for use with school athletic team apparel
4imprint	~$480M	• Direct-marketing business supplying custom promotional products and branded apparel
CUSTOM INK	~$350M	• Online retailer focused on custom apparel and accessories; specializes in "groups and occasions" customers
Zazzle	~$250M	• Online marketplace that joins artists with independent manufacturers
	~$100M	• Online retailer of 1B+ custom products designed by 2M+ independent artists; specializes in unique, one-off sales
	~$100M	• On-demand printing e-commerce platform; sells 200+ products and ships to 150+ countries
REDBUBBLE	~$90M	• E-commerce platform featuring independent artists' custom designs across a number of products
PrepSportswear.	~$25M	• Online retailer of personalized athletic apparel to schools, sports teams and the military
SQUAD LOCKER	~$15M	• Allows schools to choose branded gear, add a logo, and open an online store

Note: All revenue figures are those most recently reported; North America revenue only shown for 4imprint; Global revenue shown for Spreadshirt; Global revenue shown for RedBubble, headquartered in Australia; *Includes school/athletic apparel and diversified personal products
Source: Industry participant interview; Company websites; Public filings; Owler; D&B Hoovers

BSN strategic priorities

Objective: increase penetration of schools and sports, and build successful DTC platform

WHAT

Win new accounts	Increase spend in existing accounts	Increase share in hard goods	Grow share in DTC fundraising

EQUIP SALESFORCE WITH NEW CAPABILITIES

Customer acquisition strategy
Develop metrics to measure and prioritize potential new accounts; grow inside sales for youth leads

Continued investment in salesforce diversity
Develop recruiting/HR strategy to hire/retain diverse staff that can effectively sell to women's and tier 2 sports

Hard goods sales training
Continue training to effectively cross- and upsell hard goods (e.g. facility walks) to new and existing customers

Fundraising platforms
Further develop DTC sales capabilities; potentially target different customers (e.g., booster clubs)

Women's gear
Invest in best-in-class women's product offering and custom MTS/Sideline Store sales

Hard goods
Expand hard goods offering to complement cross-selling strategy; invest in facility products

Private label
Develop and market high-quality, sublimated private label cloth

Personalized apparel
Leverage school database to offer personalization of high-quality BSN cloth

UTILIZE DIGITAL AS AN ENABLER

Cater MTS/Sideline to underpenetrated customer segments (e.g. women's, hard goods) to enable both addressable segments and share-of-wallet growth; develop interplay between Team Art Locker and end-user platforms

Agenda

- BSN
- Spirit
- Herff Jones

Overall findings: **Spirit**

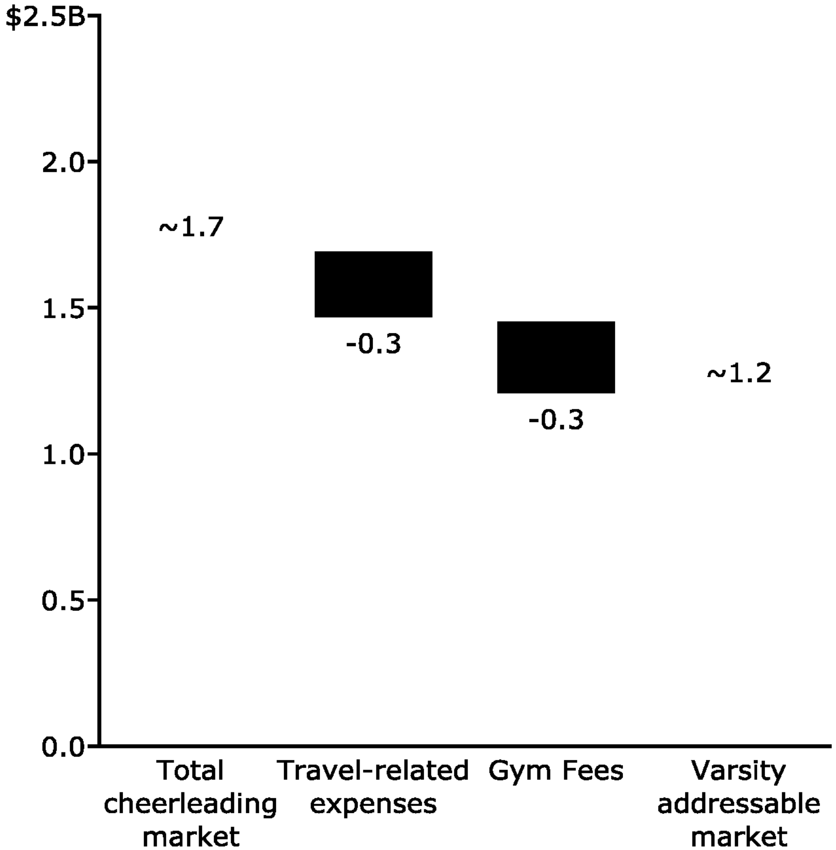
- **Varsity Spirit is a leading brand for both school and All Star** and helped grow cheerleading and All Star into what it is today
- **The overall cheerleading industry is large and growing,** driven by both athlete participation (up 1.5-2.5% in last 2 years) and per-athlete spend (up 1-3% in last 2 years)
- **There are two main customer segments, in-school and All Star;** individual cheerleaders compete in one or both segments with varying levels of intensity and competitiveness
  - In-school is ~70% of total industry; participation is up due to high interest from students and a desire for more competition opportunities for school cheerleaders is driving higher spend per athlete
  - Participation in All Star (~30% of industry) has flattened due to high costs and increasing levels of athletic difficulty; spend per athlete in this segment is ~3x higher than in-school and is rising across categories (apparel/uniforms, camps, and competitions)
- Opportunity exists to **continue growing cheerleading overall and the Spirit brand** in particular; Varsity should focus on:
  - **Increase competition attendance** by offering more local and less expensive competitions
    - Varsity's Game Day offers a more inclusive, less difficult competition option for non-competitive school cheerleaders
    - Recent acquisition of EPIC brands reflects commitment to expanding local competition options
  - **Capture additional share of wallet** in apparel by targeting underpenetrated verticals and offering lower price apparel to appeal to value shoppers
  - **Expand internationally**, focusing on countries with strong cheer presence and communities

Cheerleading is large and growing

PRELIMINARY

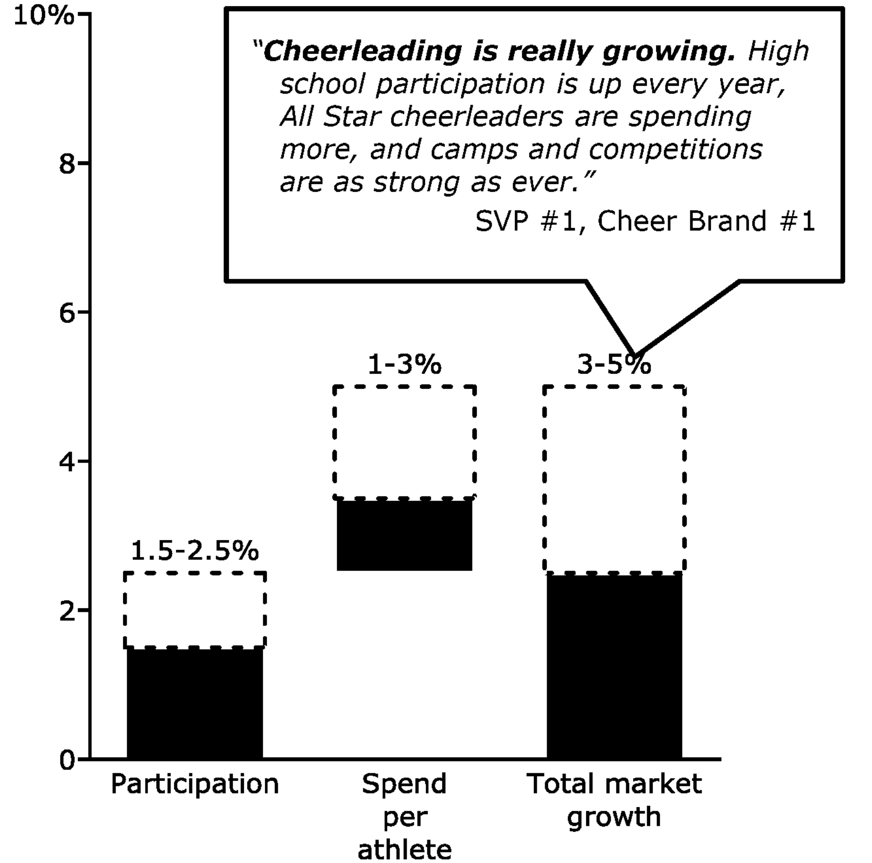
ADDRESSABLE SEGMENT FOR VARSITY SPIRIT IS ~$1B

Estimated cheerleading industry size (2016, $B)



CHEER HAS GROWN AT 3-5% P.A. SINCE 2014

Estimated Varsity addressable market growth ('14-'16)



Note: Industry estimate excludes recreational cheer segment; assumes total of 1.1M cheerleaders
Source: Bain Cheer Consumer Survey (N=989); Industry participant interviews; Bain Cheer Decision-Maker Survey (N=171); NSGA Historical Sports Participation

There are two major segments of cheerleaders, in-school and out-of-school

PRELIMINARY

	In-School Cheerleading Teams		***Out-of-School / Club (All Star)***
			
	Non-competitive	Competitive	All Star Gyms
Description	• Cheerleading teams that only cheer at school sporting events	• School cheer programs that train and compete against other school cheer teams at competitions • May also do non-competitive, sideline cheer	• Top cheer gyms requiring tryouts with several skill levels, will compete 7-9 times per year nationally • Some cheerleaders also cheer at more casual recreational cheer gyms

Example cheerleader

School Spirit Sally

Loves cheerleading, but doesn't define it as her passion; feels a strong connection to her school

✓ Will mostly cheer at school sports games	✓ May participate on school competitive team; potentially required in order to do non-competitive cheer	Likely does not participate in All Star

Cheer Enthusiast Cara

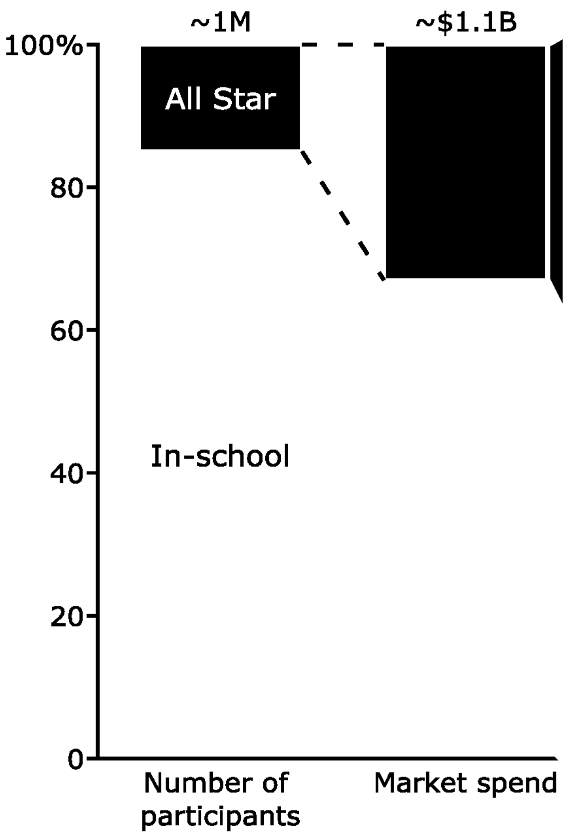
Cheerleading is her passion, and she cheers in-school, out-of-school, and at competitions

✓ Will likely cheer at sports games with her school team	✓ Will compete at some local competitions with her school team during the winter season	✓ Usually practices and competes with her All Star team

In-school cheerleading is the majority of the industry, and is growing at 3-6% p.a.

ALL STAR IS ~15% OF ATHLETES, BUT ~30% OF OVERALL SPEND

Participants and Varsity addressable segment by customer segment



PARTICIPATION IS FLAT FOR ALL STAR; SPEND IS UP FOR BOTH SEGMENTS

	Avg. $/ athlete	1 Spend per athlete		2 Participation	
		Trend	Rationale	Trend	Rationale
a **All Star** (1-3% p.a. growth)	~$4,000	1-3% p.a.	• All Star cheerleaders going to more competitions, and fees and travel costs are rising • Price and volume are both up for apparel as fashion becomes more important	0-0.5% p.a.	• High costs and time commitment are contributing to flattening participation in All Star • Some participants are switching to in-school teams as school cheer becomes more competitive
b **In-School** (3-6% p.a. growth)	~$1,150	1-3% p.a.	• Apparel has driven increasing spend as prices have risen alongside higher purchase volumes	2-3% p.a.	• Schools have been adding competitive cheer teams • All Star cheerleaders have switched to in-School

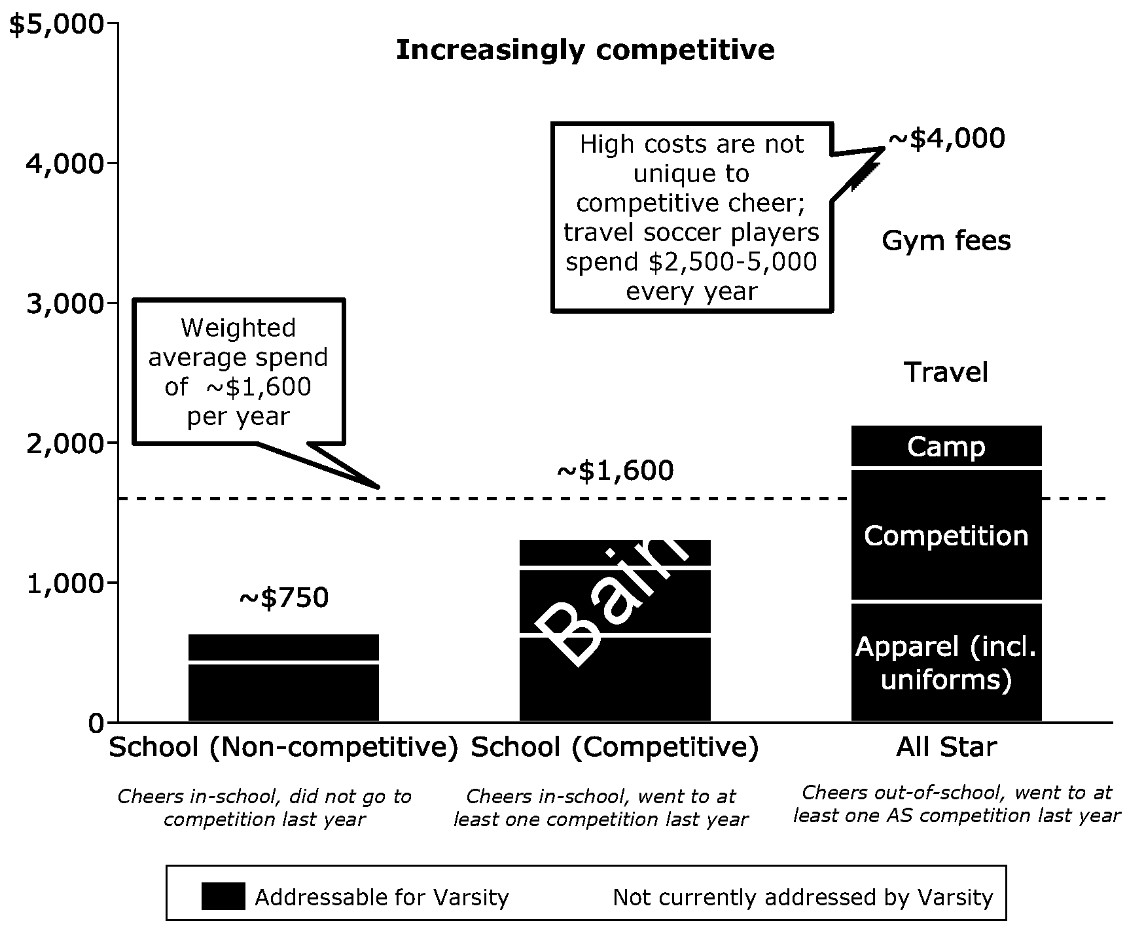
Source: Bain Cheer Consumer Survey (N=989); Industry participant interviews; Bain Cheer Decision-Maker Survey (N=171), Bain All Star Decision-Maker Survey (N=74)

Spend: The average cheerleader spends ~$1,600 per year

① Spend per athlete

CHEERLEADING ATHLETES SPEND MORE AS THEY BECOME MORE COMPETITIVE

Average cost per cheerleader



COACHES CONFIRM SPEND INCREASES WITH COMPETITIONS

*"**Our sideline cheer squad is there to have fun**. They want to cheer on the sideline with their friends and show their school spirit. They don't want to spend all their time travelling to competitions. **The competitive squad travels a lot and spends a lot more time and money on cheerleading**."*

High School Cheer Coach #3

*"**As teams are competing more they focus and spend more on the team look**. Competition encourages cheer teams to put a lot of effort into every detail. Uniforms are custom designs, they're buying lots of bows and accessories to customize their look at each competition. The national competitions even has a best uniform winner."*

All Star/ High School Cheer Captain #1

*"My daughter joined a level 4 All Star team for one year. **We spent $12,000 dollars and that was the end of that**."*

High School Cheer Coach #1

Note: All apparel includes uniforms, practice-wear/campwear, accessories, and footwear
Source: Bain Cheer Consumer Survey (N=989); Bain Cheer Decision-Maker Survey (N=171); Industry participant interviews

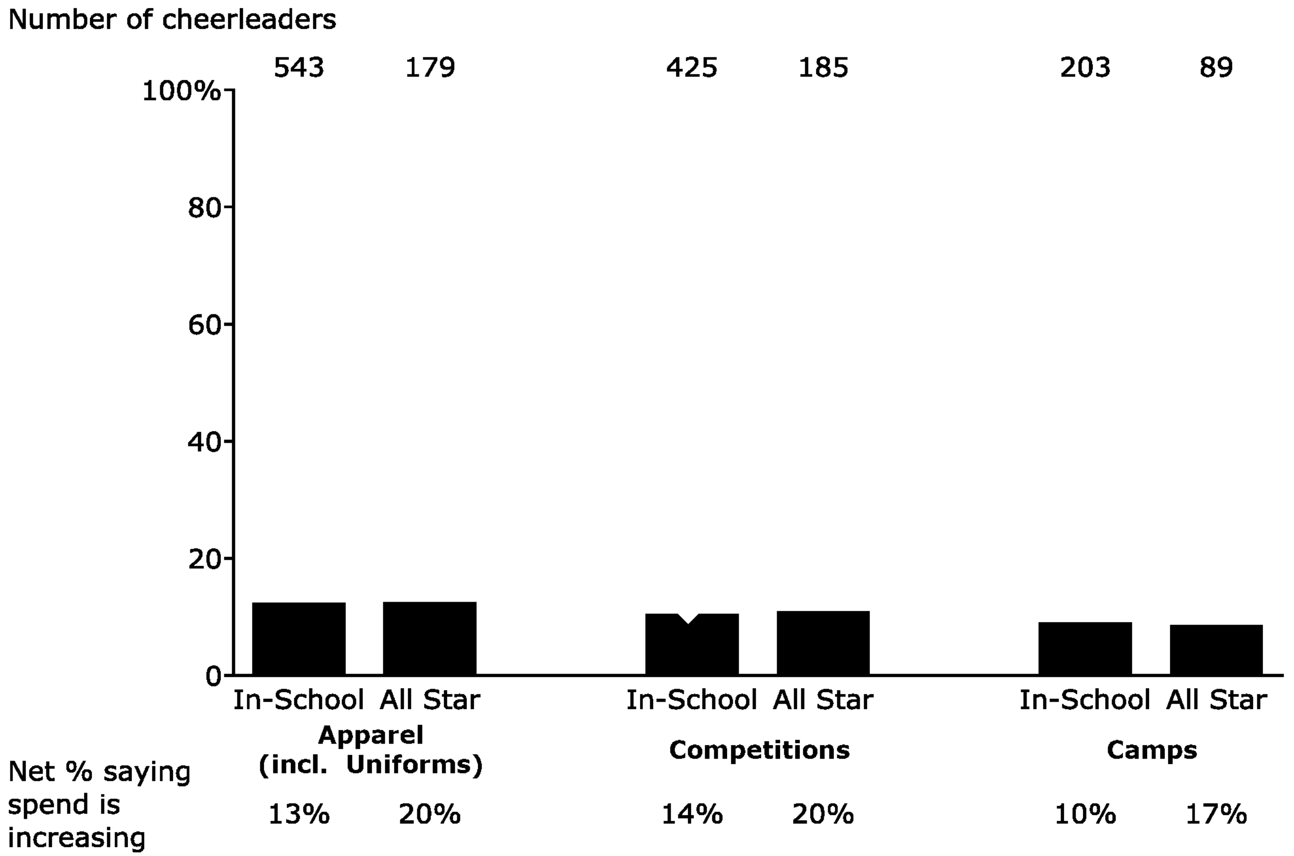
Spend is going up across all categories (apparel, camps and competitions)

1 Spend per athlete

PRELIMINARY

ALL CHEERLEADERS ARE SPENDING MORE; ALL STAR COSTS ARE INCREASING FASTER

Please indicate whether this is more or less than you spent the previous year for each category?



COACHES CONFIRM SPEND IS INCREASING

*"**Cheerleaders are spending more now than they ever did.** They're spending more on uniforms, camps and competitions."*

SVP #1, Cheer Brand #1

*"**It's been very difficult to control the costs for our team**. We are trying to fundraise more every year and also looking to control costs by looking for new vendors."*

High School Cheer Coach #2

*"I think you've seen a **steady increase in the prices of the competitions.** I mean in some cases they're charging $20 dollars for parents to watch their kids compete. It doesn't seem to stop going up."*

All Star Cheer Coach #2

Note: Events and fees includes competitions, camps, and cheer gyms; only takes into account individuals who went to the same number of camps and competitions as the previous year; those who spent more reflect only participants who have been cheering for >1 year
Source: Industry participant interviews, Bain Cheer Consumer Survey (N=989)

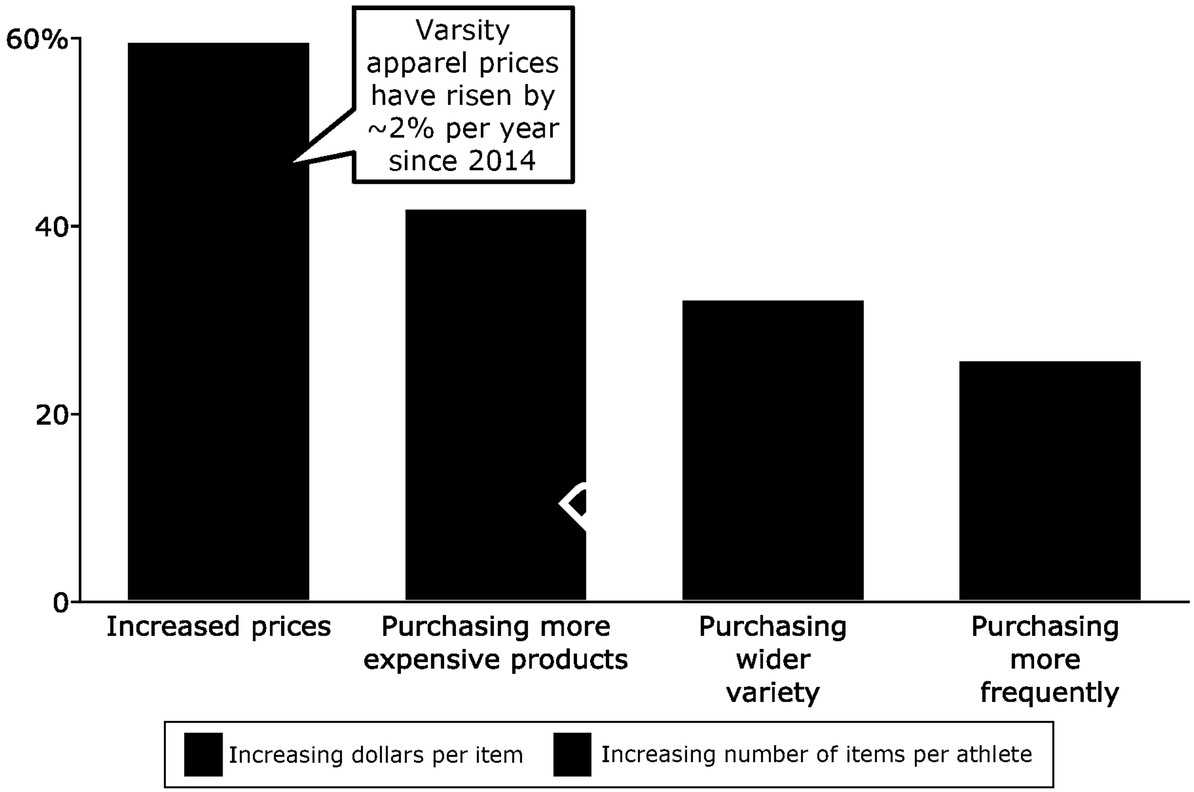
Apparel spend: Consumers are purchasing more, and more expensive, products

① Spend per athlete

CONSUMERS ARE PAYING MORE FOR EACH PRODUCT, AND BUYING MORE PRODUCTS

Why has the amount your organization is spending on cheer / dance uniforms and practice-wear/accessories increased?

% of decision-makers who note increasing spend



PRICES AND QUANTITIES ARE RISING

- **Increasing emphasis placed on customizing look for competitions**

"***There's more focus and spend on the team look***. *Cheer teams put a lot of effort into every detail. Uniforms are custom designs, they're buying lots of bows and accessories to customize their look at each competition. The national competitions even has a best uniform winner."*

All Star/ High School Cheer Captain #1

- **Volume of accessories and practice wear required also growing**

"***Cheerleading has really expanded the amount of stuff that teams need to buy each year.*** *It's not just uniforms and practice wear, but separate camp wear, bags, team socks, shoes, makeup and earrings."*

SVP #1, Cheer Brand #1

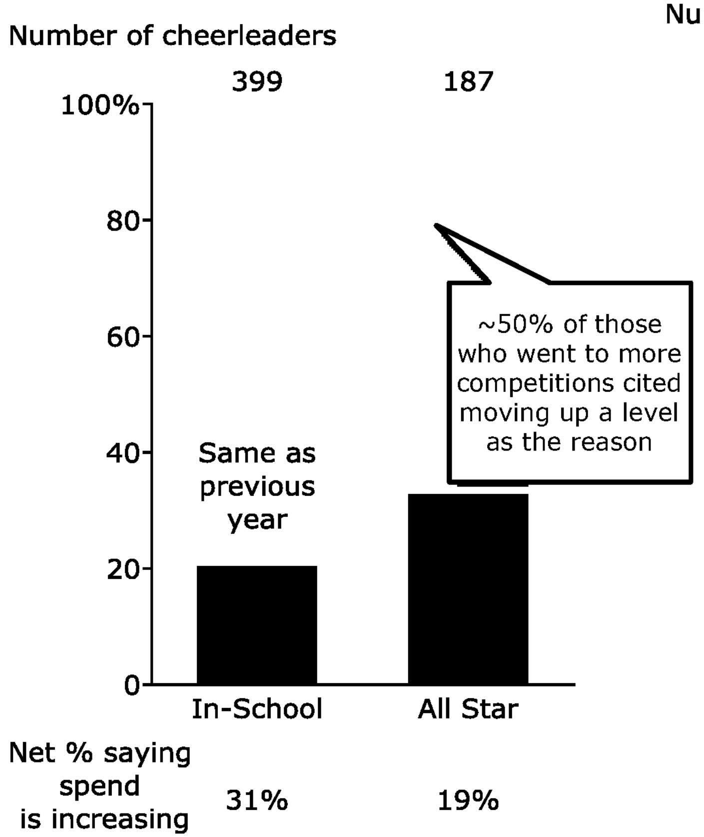
Source: Bain Cheer Decision-Maker Survey (N=171); Industry participant interviews

Competition spend: Increased attendance is driving higher spend on competitions

1 Spend per athlete

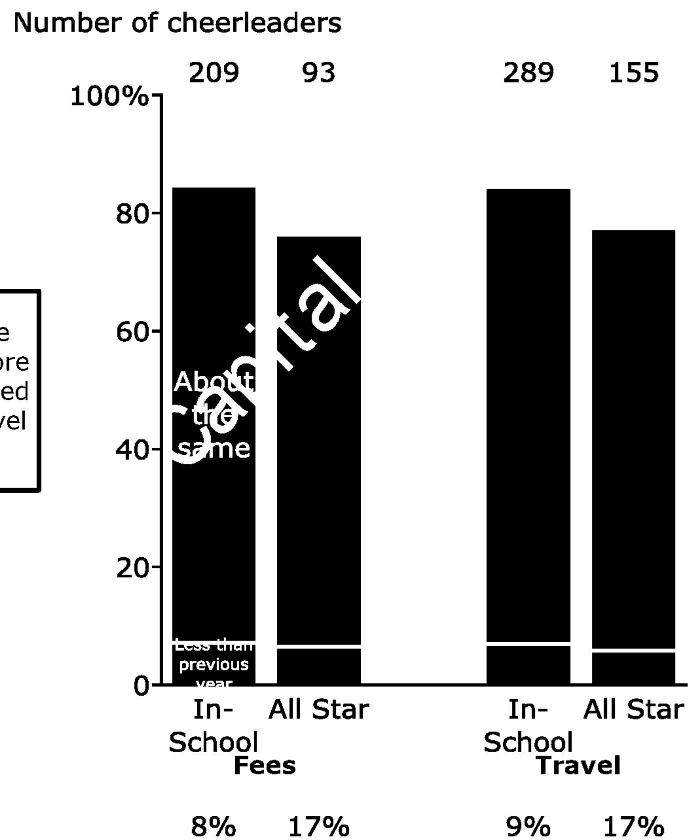
COMPETITION PARTICIPATION IS INCREASING

Did you go to more or fewer competitions than the previous year?

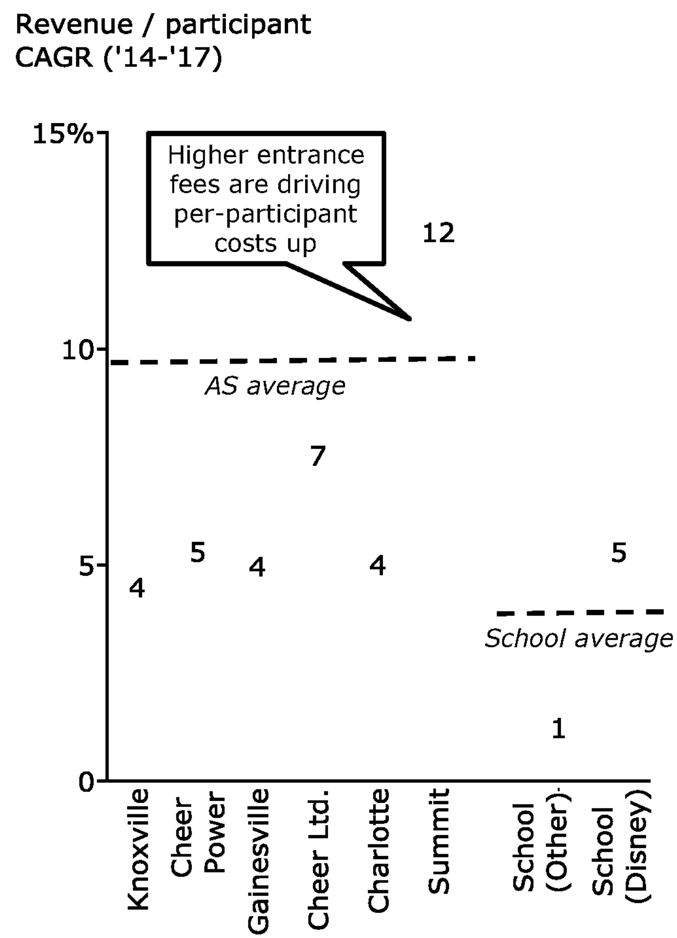


MOST REPORT SIMILAR SPENDING FOR EACH COMPETITION, BUT SOME ARE SPENDING MORE

Were the competitions you attended more or less expensive than last year? || Did you spend more or less for travel?



VARSITY'S REVENUE PER PARTICIPANT AT COMPETITIONS HAS STEADILY INCREASED



Note: Fees and travel spend only includes those who attended about the same number of competitions as the previous year; Cheer Ltd. CAGR based on '15'-'17

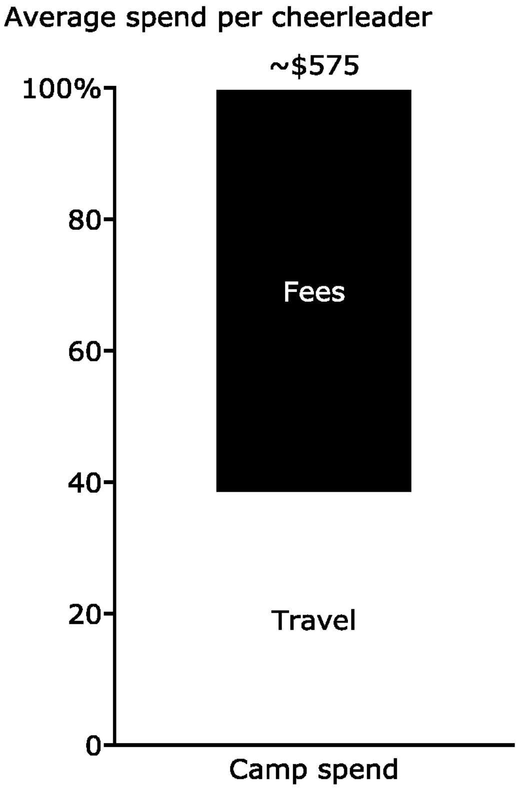
Source: Bain Cheer Consumer Survey (N=989); Internal Varsity data

Camp spend: Fees are driving increases in camp spend

1 Spend per athlete

CAMP-RELATED SPEND ADDS UP TO $600 PER YEAR

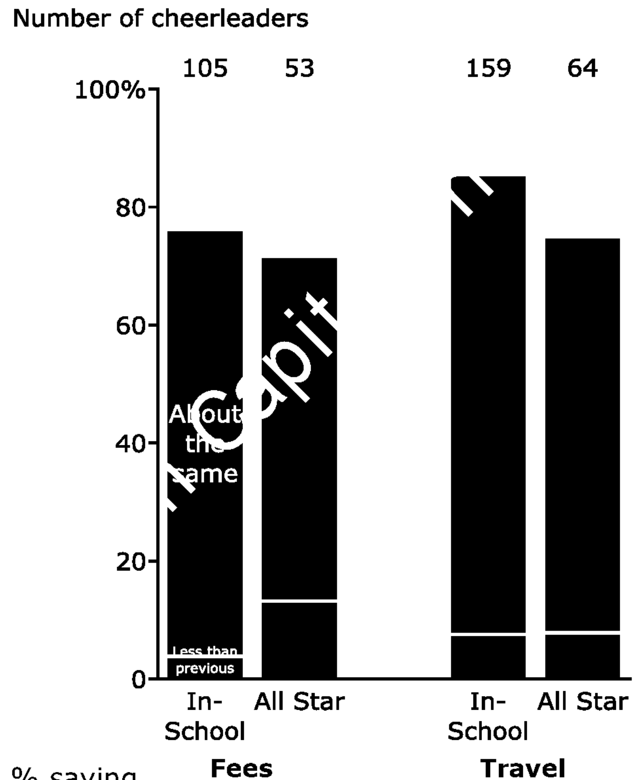
What percent of what you spent on cheerleading / dance camp in the last year (excluding apparel) was for travel expenses?



% who attended camp 53%

~25% OF ATHLETES/PARENTS REPORT INCREASING CAMP FEES

Please indicate whether this is more or less than you spent the previous year for ______?



Net % saying spend is increasing	Fees: In-School	Fees: All Star	Travel: In-School	Travel: All Star
	20%	15%	7%	17%

COACHES SAY RISING FEES TIED TO INSTRUCTIONAL QUALITY

- **Rising emphasis on in-school competition has driven increase in camp quality and fees**

"The real reason camps are getting more expensive is because ***teams are looking for more specialized instruction and better choreography****. There are basic camps out there that are still affordable but as the sport has matured the top teaching talent is getting paid more."*

All Star/ High School Cheer Coach #2

- **Some teams are avoiding fee increases by switching to more basic camps**

"My team went to the same camp every summer, but ***eventually the price was so expensive we had to switch to make it more affordable for our cheerleaders****. We were able to save more than $100 per cheerleader by switching camps."*

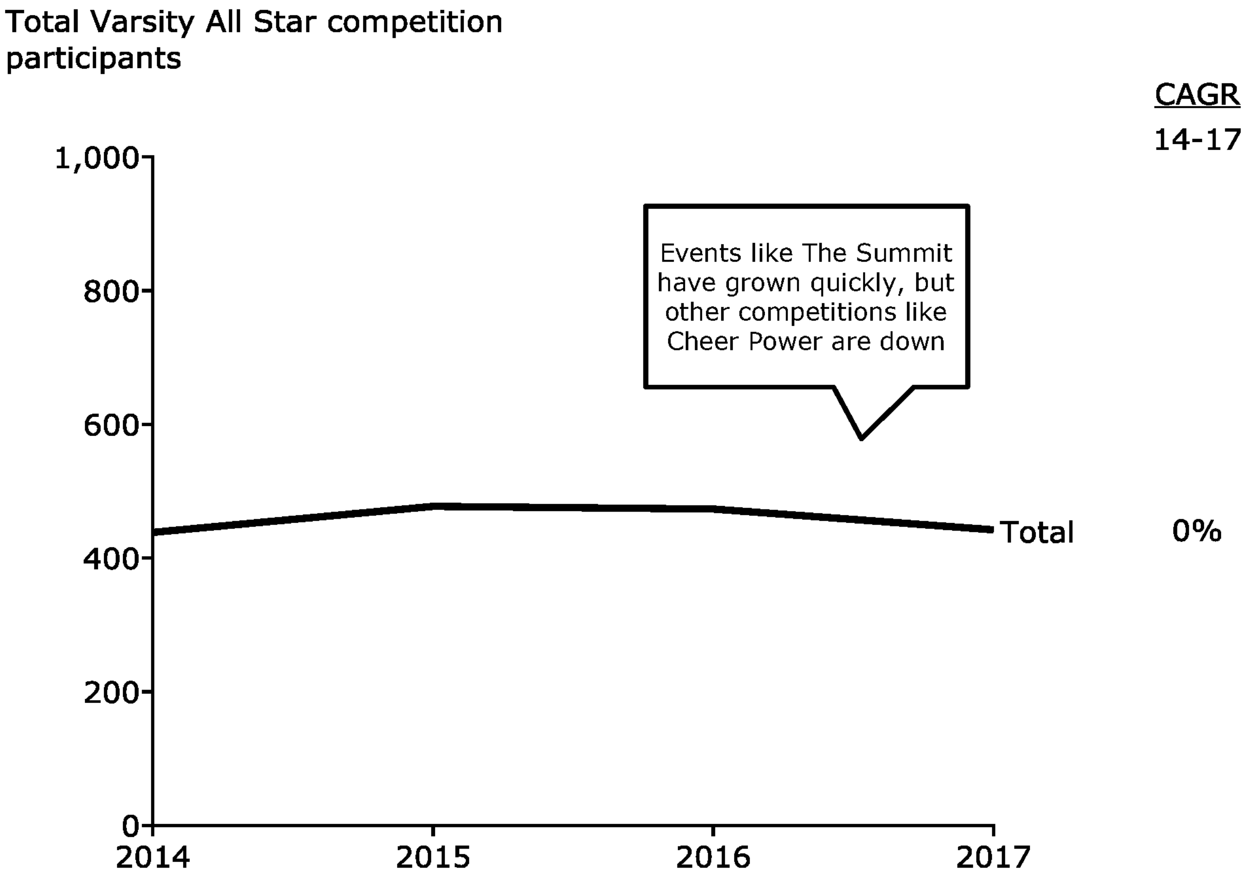
High School Cheer Coach #2

Note: Middle chart only includes the subset who started cheering >1 year ago and believed they went to the same number of camps
Source: Industry participant interviews, Bain Cheer Consumer Survey (N=989)

All Star participation: Overall participation is flat, with growth in youth All Star cheerleading

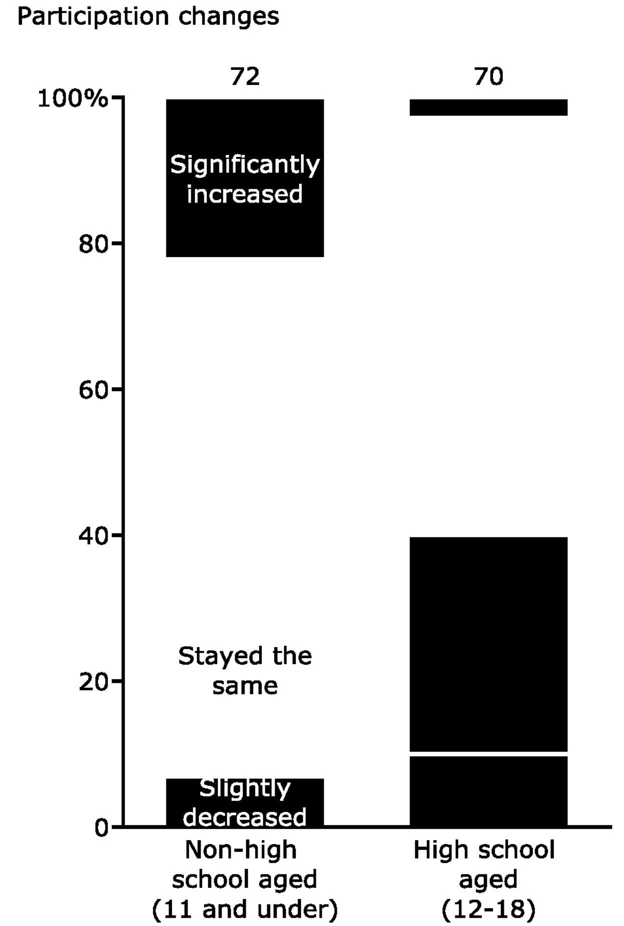
2a All Star - participation

VARSITY ALL STAR COMPETITION PARTICIPATION IS FLAT SINCE 2014



DECLINES IN HIGH SCHOOL SEGMENT MADE UP FOR BY INCREASING YOUTH SEG.

How has athlete participation in your cheer program changed over the last three years?



Note: Excludes JAM Brands (acquired in 2016)
Source: Internal data; Bain All Star Decision-Maker Survey (N=74)

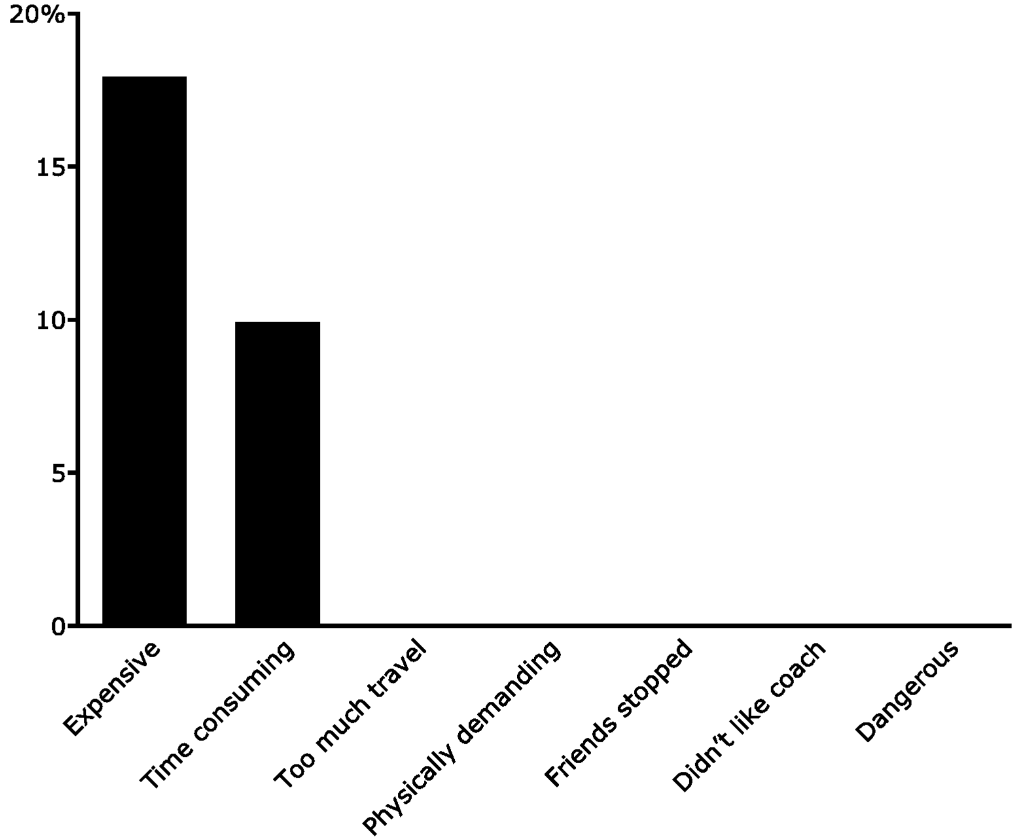
Cost is the primary reason All Star cheerleaders leave or switch to in-school cheer

2a All Star - participation

ALL STARS CITE COST AND TIME COMMITMENT CITED AS TOP REASON FOR QUITTING

You mentioned you used to participate in cheerleading. Why did you stop?

% of respondents citing reason for quitting All-Star (N=351)



SOME ALL STAR CHEERLEADERS ARE SWITCHING TO IN SCHOOL

In school cheer offers opportunities to cheer with classmates in a lower-intensity setting

*"I think **many All Star cheerleaders, especially once they're 16 or 17, want to get the experience of high school cheerleading**. Not only that; if you're going to cheer in college you need to develop those sideline skills."*

All Star Cheer Coach #4

*"I left my All Star team when I got to high school because some of the people still doing All Star when they're 18 are kind of weird, like way too into cheer. **I wanted to cheer with my school friends**."*

Former Cheerleader #1

Competitive school teams have become viable alternatives for serious athletes

*"**Our school competes at level 4, which is a higher level than many All Star gyms offer**. You really only need to go to All Star if you want to compete at level 5."*

High School Cheer Coach #1

*"**If you go to a school that really competes at a high level you don't really need All Star**. You get to do a lot of what we do here but it's a lot cheaper."*

All Star Cheer Coach #2

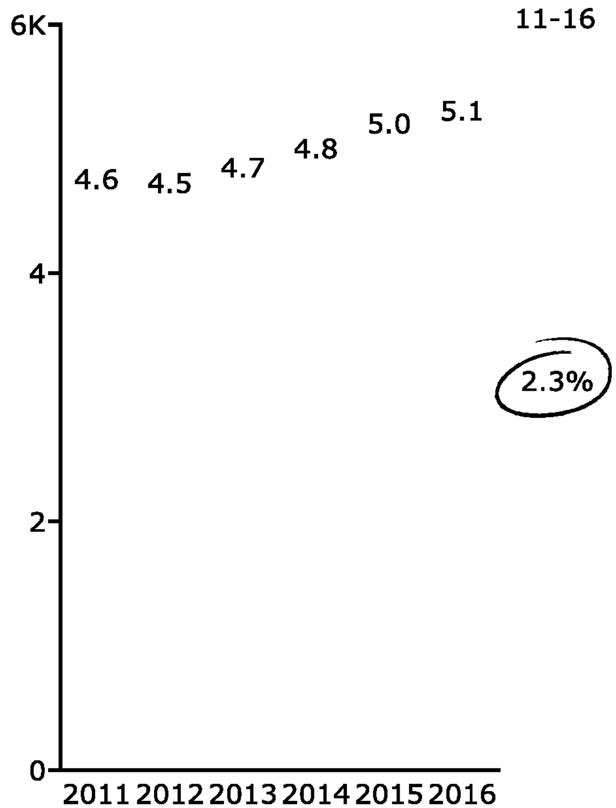
Source: Bain Cheer Decision-Maker Survey (N=171); Industry participant interviews

School participation: Interest in cheerleading and mix shift from All Star are driving 2-3% growth

2b In-school - participation

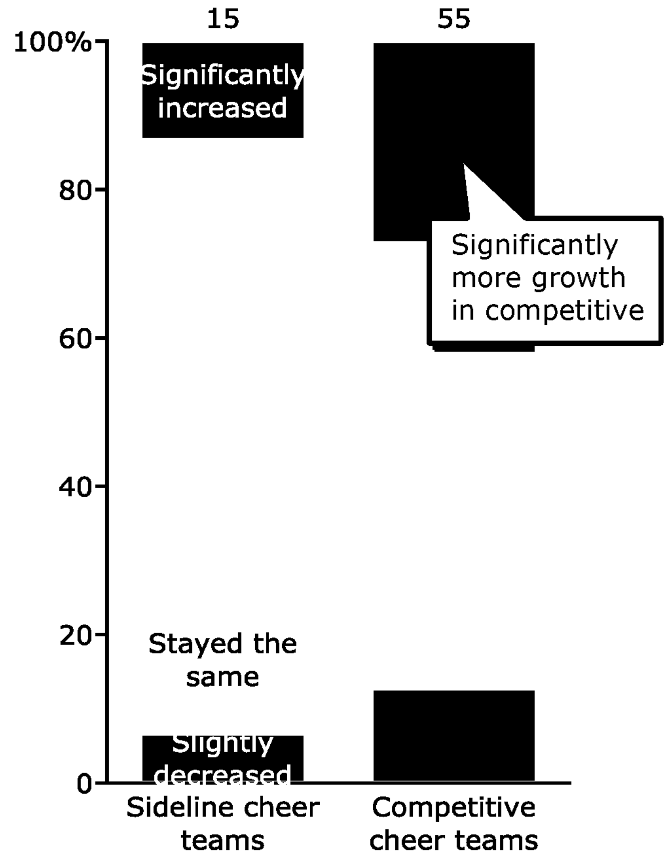
MORE SCHOOLS OFFER CHEERLEADING

Number of schools with cheer team (NFSH Survey Data)



COACHES BELIEVE PARTICIPATION HAS RISEN FOR COMPETITIVE TEAMS

Number of in-school coaches



COMPETITIVE NATURE IS DRAWING PEOPLE TO SCHOOL TEAMS

*"**High school participation is really growing.** It's driven by all the new disciplines and skills that are being used in competitive cheerleading. It has attracted new athletes that didn't used to participate in cheer."*

SVP #1, Cheer Brand #1

*"**Our team has become very popular since the team became more competitive**. We've had students move into the district because they want to be a part of it.*

High School Cheer Coach #1

*"**High school participation is definitely increasing**. More schools are adding competitive teams and new competitions are being added every year."*

Sales Rep #1, Cheer Brand #1

Source: NFHS, Bain Cheer Decision-Maker Survey (N=171); Industry participant interviews

Varsity is the leading brand in the industry, and made competitive cheerleading what it is today

VARSITY BUILT COMPETITIVE CHEERLEADING INTO WHAT IT IS TODAY

1974: Varsity Spirit founder Jeff Webb founds the Universal Cheerleaders Association (UCA), a new cheer **training camp**

1980: First cheerleading **national championship** is hosted by Varsity

1984: ESPN first **broadcasts** Varsity's national championship

1990: Competitive cheerleading surges in popularity, and the term "All Star" for cheerleading is coined by Varsity, spawning a huge number of **All Star gyms**

1990's

2000: First of the **"Bring it on"** movies released, generating huge publicity for competitive cheering

2004: Varsity **acquires a major competitor**, National Cheerleaders Association, an alternative governing body and competition/camp host

2000's

2007: Varsity helps found the **International Cheer Union** governing body

2013: Varsity launches **The Summit**, creating the ultimate end-of-season competition

2010's

VARSITY CHEER CAMP BRANDS

UCA

National Cheerleaders Association

NDA

VIROC

Cheerleading

UDA

usa

VARSITY OWNS 39 COMPETITION BRANDS, INCLUDING:

UCA

National Cheerleaders Association

All Star Challenge

The Summit
Varsity All Star Cheerleading Championship

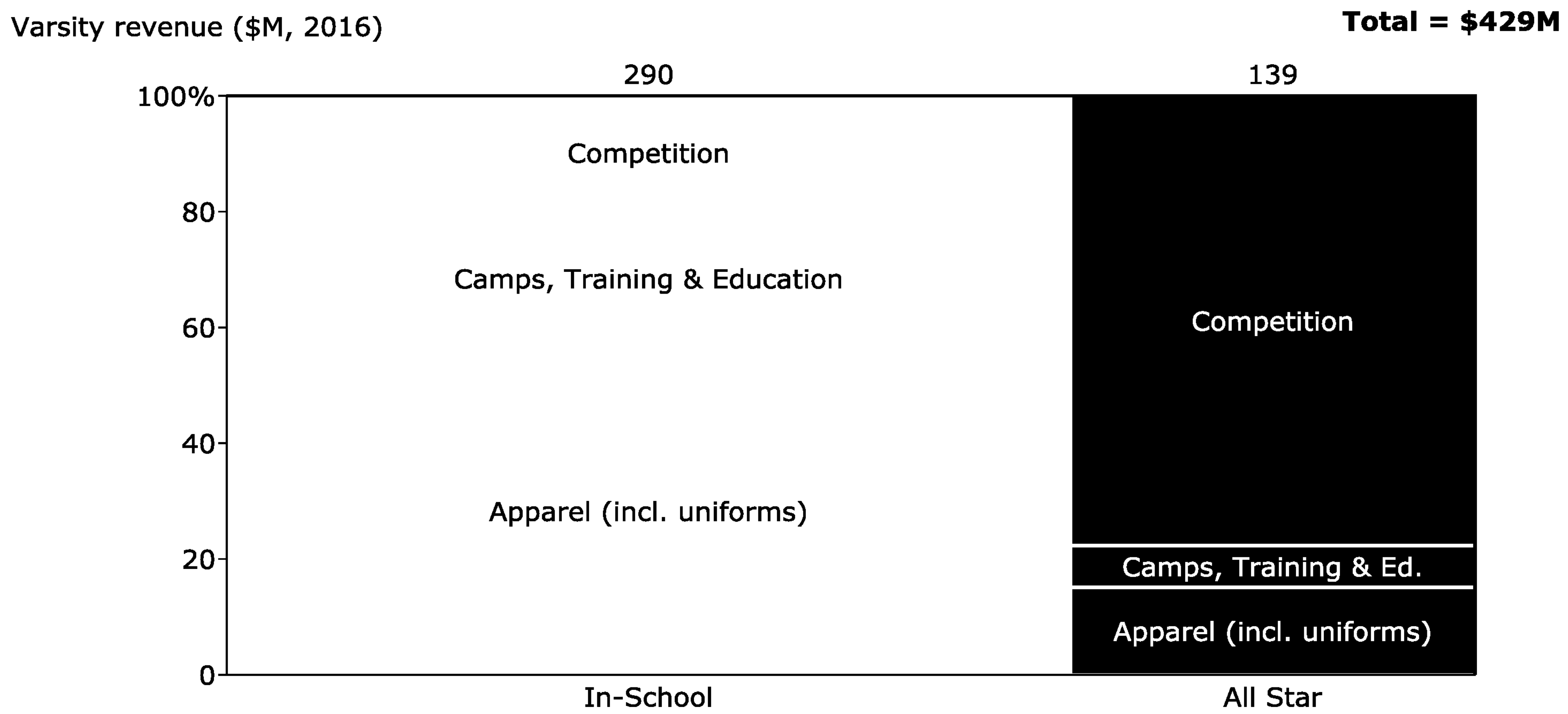
jamfest! Cheer and Dance

usa

Source: Varsity website

Varsity's revenue split matches the industry

IN-SCHOOL IS ~70% OF VARSITY REVENUE; ALL STAR IS ~30%



Note: Apparel includes uniforms, practice-wear/campwear, accessories and footwear
Source: Internal data; Bain Cheer Consumer Survey (N=989)

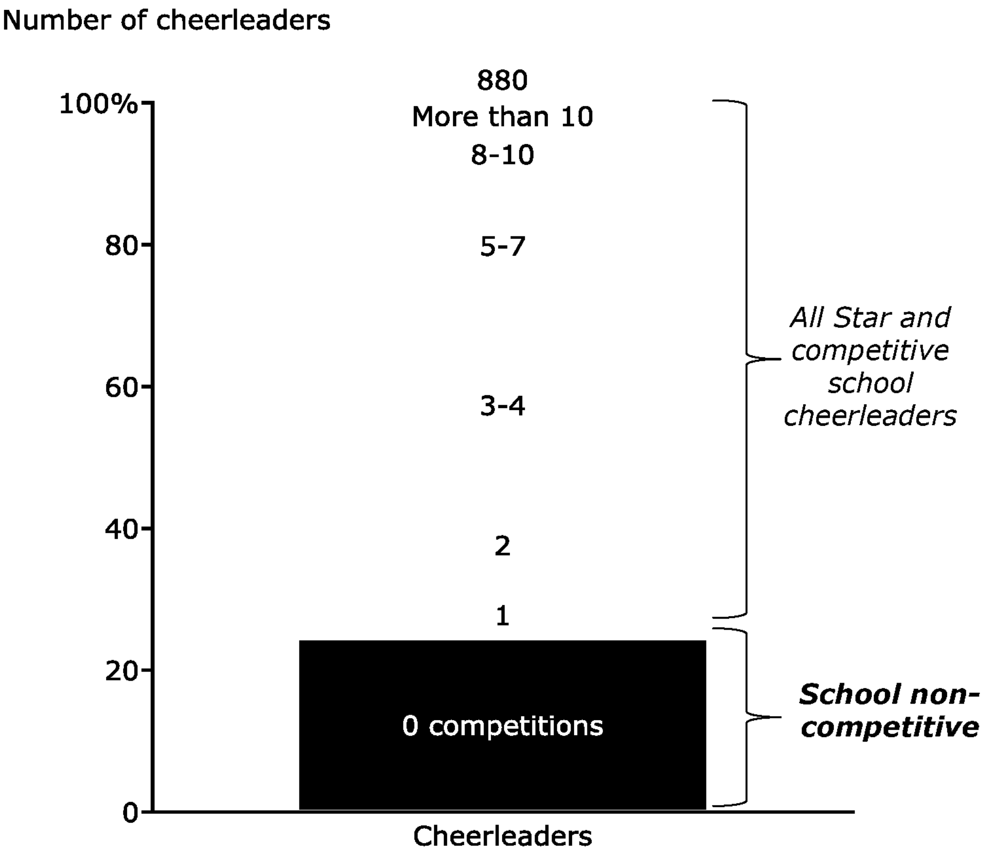
There are multiple growth levers for Spirit

		1 Make competitions more accessible			2	3
		Local competitions	Less expensive competitions	Easier alternatives	Increase share of wallet in non-uniform apparel	Expand internationally
Opportunity rationale		• **"No competition nearby"** is a key reason school cheerleaders do not compete • Both school and All Star cheerleaders desire **closer competitions to reduce high travel expenses**	• Competitive cheerleading is **increasingly expensive** and cost prohibitive for some families	• All Star is increasingly seen as **too difficult** • **Not qualifying** is a key reason why school cheerleaders do not compete	• Varsity has **lower share** than uniforms in other apparel categories (practice-wear/ campwear, accessories, and footwear)	• Cheerleading has **increased in popularity internationally** • Opportunity to buy or create **competitions, camps**, and to sell **apparel overseas**
Incre-mental (year 5)	*Sales*		*~$30-50M*		*~$15-20M*	*N/A*
	GP		*~$12-17M*		*~$6-10M*	*N/A*
Ability to win	All Star	• **Local competitions** will reduce travel time and expenses, encouraging more event participation by both in-school and All Star teams	• Target novice cheerleaders where **willingness to pay** for competition **may be lower**	• **Lower Divisions** for All Star may encourage less serious athletes to participate in more competitions	• Employ new sales tactics (e.g., bundling) or apply **differential sales effort** to increase share • **Target value oriented** customers with **low priced uniforms** and apparel offerings	• Varsity has **already enjoyed some success** with expanding its international offering • **Displacing local competitors** may be challenging depending on level of maturity of cheer market by country
	In School		• Lower fees will **draw non-competitive cheerleaders** to competition, increasing their overall spend	• Offering **less difficult formats like Game Day** for In School to encourage competition attendance by non-competitive cheerleaders		

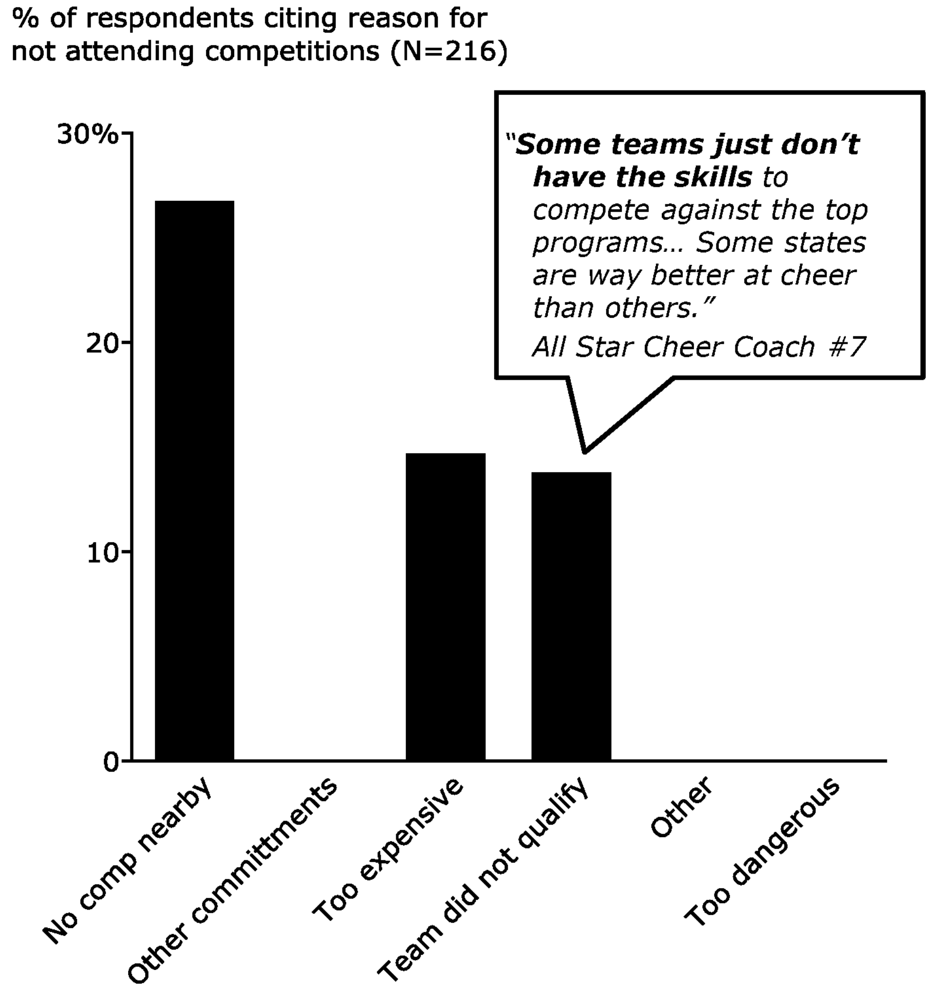
Competitions: location, cost, and difficulty are top reasons why teams do not compete today

1 Competitions

~30% OF CHEERLEADERS DO NOT ATTEND ANY COMPETITIONS TODAY



THOSE WHO DO NOT ATTEND SAY COMPETITIONS ARE FAR AWAY, EXPENSIVE AND DIFFICULT



Note: Excludes all recreational cheerleaders
Source: Bain Cheer Consumer Survey (N=989)

School cheerleaders who attend competitions are more valuable to Varsity

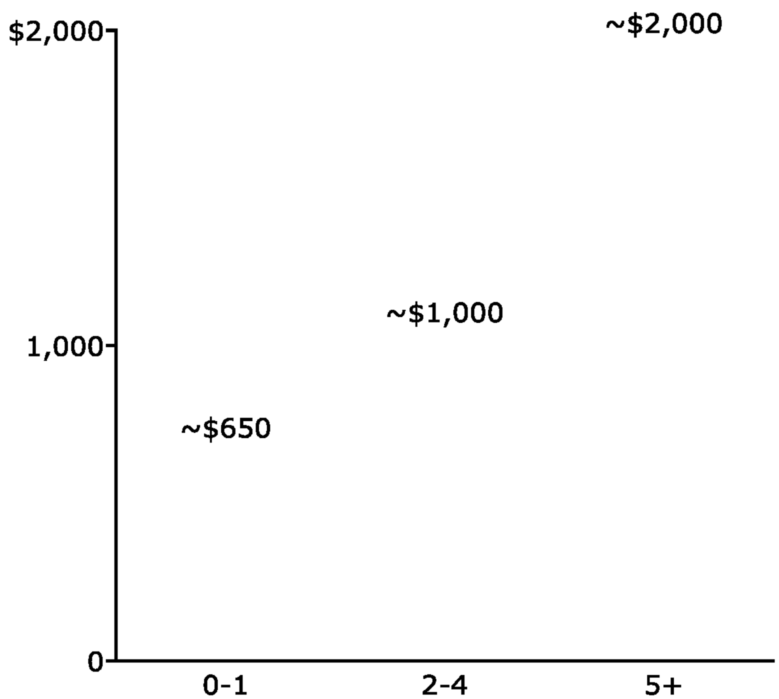
1 Competitions

IN-SCHOOL ONLY

CHEERLEADERS WHO ATTEND COMPETITIONS SPEND 2-3X MORE

How much did you spend on cheerleading and dance competitions in the last year?

Average spend per in-school cheerleader



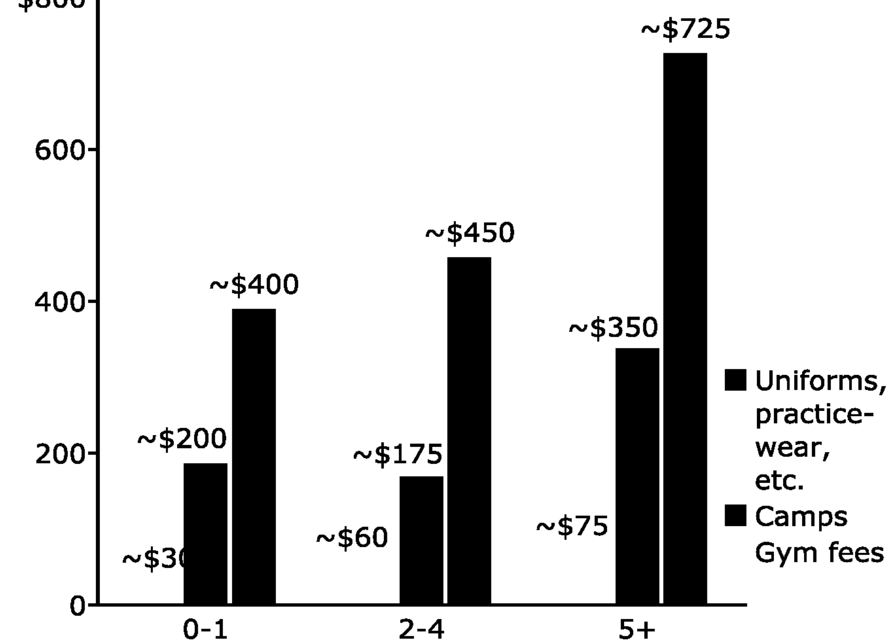
No. of competitions attended in past year

Number of cheerleaders	241	247	128

OTHER THAN COMPETITION FEES, MOST OF THEIR ADDITIONAL SPEND IS IN APPAREL

How much did you spend on cheerleading camps, gym fees and uniforms, apparel and accessories in the last year?

Average spend per in-school cheerleader



No. of competitions attended in past year

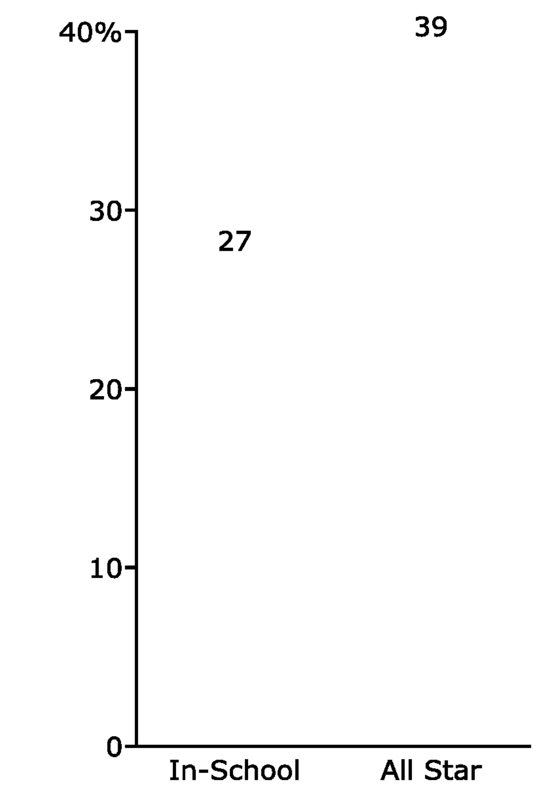
Number of cheerleaders	241	247	128

Source: Bain Cheer Consumer Survey (N=989)

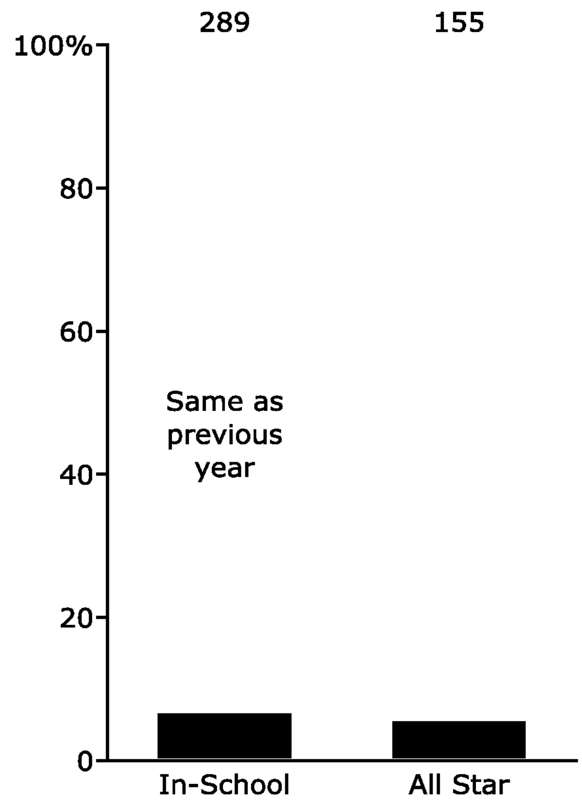
Travel costs are high for both school and All Star cheerleaders, driving demand for local events

1 Competitions

TRAVEL COSTS ARE HIGH FOR BOTH SCHOOL AND AS



SOME ARE SPENDING MORE EVERY YEAR ON COMPETITION TRAVEL



LOCAL COMPETITIONS REDUCE TRAVEL COSTS

*"We travel all over the southeast to attend competitions. The team is spending 15-20 nights each season in a hotel room. **We try to keep the schedule as local as possible**, and it's always within driving range, but the travel costs definitely add up."*

All Star Cheer Coach #1

*"We are a small gym from a rural area. Our parents can't afford to spend a fortune on cheerleading. **We really try to stay local, but most of our competitions are at least 2-3 hours away."***

All Star Cheer Coach #5

*"Fees are going up; a weekend at Disney is easily $3000. **There are times when it feels like they're going to start pricing out some of the All Star athletes**."*

Sales Rep #1, Cheer Brand #1

Note: Changes in travel costs shown only for those cheerleaders who went to the same number of camps / competitions as the previous year
Source: Bain Cheer Consumer Survey (N=989)

Acquisition of EPIC Brands offers accessible, inexpensive local competitions

1 Competitions

EPIC IS DESIGNED FOR COMPETITIVE CHEERLEADERS LOOKING TO SAVE

- EPIC offers approximately 80 regional All Star competitions throughout the Mid-Atlantic
- Majority of events are 1-day events which eliminate hotel costs
- Competitions are offered at a price point more appealing to value customers
- EPIC incentivizes repeat participation by offering increasing discounts for each competition attended
- They also offer a "season pass" which is essentially a flat upfront fee to go to unlimited regular season events

Coaches indicate chance to win bids is a key decision criteria

*"**You have to go to where the bids for national are awarded**. We'll travel up and back in the same day if it's a single day format and can make it there in time for our performance schedule."*

All Star Cheer Coach #5

EPIC HAS STRONG INCENTIVES FOR VALUE MINDED CHEER TEAMS

REWARDS LEVEL	EVENT	DISCOUNT %
Entry	1st Planned	5%
Bronze	2nd Planned	8%
Silver	3rd Planned	10%
Gold	4th Planned	15%
Platinum	5th Planned	20%

EVENTS FOR ALL BUDGETS

NO COACHES FEES

Source: Varsity Spirit internal data, Company websites, Industry participant interviews

Both All Star and school teams are interested in easier competition formats

1 Competitions

LOWER DIFFICULTY EVENTS ARE ATTRACTIVE TO COACHES AND ATHLETES

*"**Game Day is definitely attracting teams that normally just cheer on the sideline**. If you don't have to learn anything new, why not do that? You might be able to take a trophy home or be recognized at the state level."*

Former Sales Rep #1, Cheer Brand #1

*"Competitions have attracted new participants but I've definitely noticed a drop in participation with some groups. It's become so focused and serious that **there isn't a great option for casual cheerleaders** anymore."*

All Star/ High School Cheer Coach #2

*"Lots of girls are interested in the competitive side, but **not all girls can fly through the air or flip across the ground**. It's just physics."*

High School Cheer Coach #1

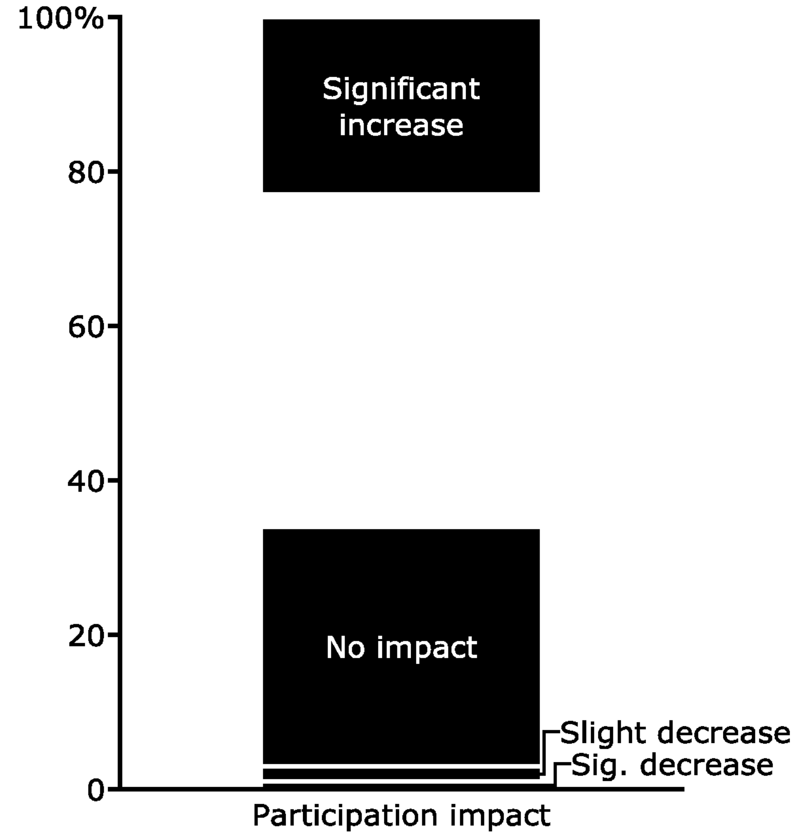
*"We're a small gym from the country in Ohio. We go to some of the gyms that have hundreds of girls and we don't really have a chance. **We're always interested in a smaller division that is fair for us** but not every competition offers separate divisions."*

All Star Cheer Coach #9

SCHOOL AND ALL STAR COACHES BELIEVE LOWER-DIFFICULTY EVENTS WILL INCREASE PARTICIPATION

How have less competitive programs (e.g., Varsity Spirit's Game Day for school cheerleaders) influenced participation in the past 3 years at your org?

School and All Star coaches



Source: Bain Cheer Decision-Maker Survey (N=171); Bain All Star Decision-Maker Survey (N=74); Industry participant interviews, Varsity Spirit website

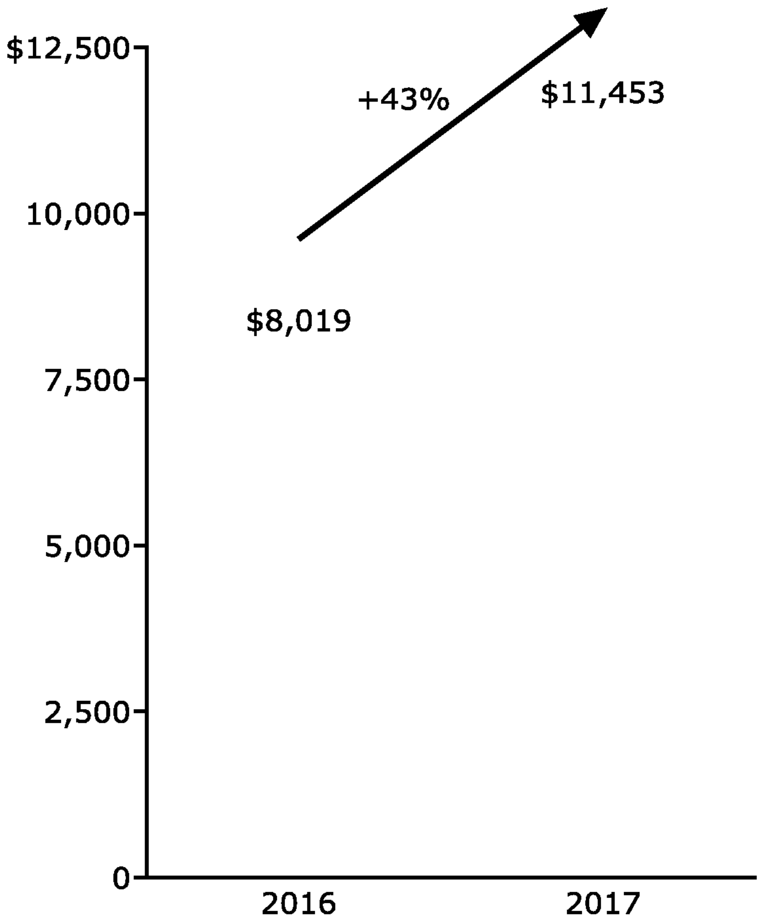
For All Star, easier Division 2 competitions have driven participation; opportunity for D3 exists

1 Competitions

ALL STAR ONLY

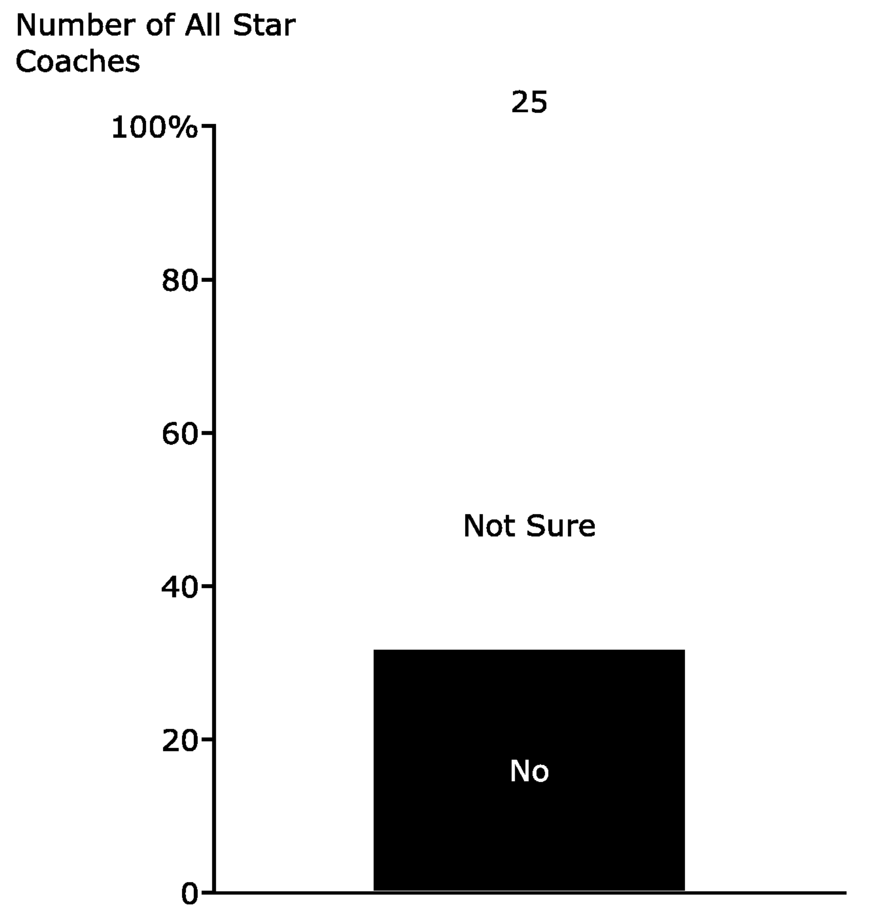
ATTENDANCE AT VARSITY D2 EVENTS SUGGESTS INCREASING INTEREST

D2 Summit number of participants



1 IN 3 D2 ALL STAR COACHES INTERESTED IN D3

Would your (Division 2) team be interested in competing in a Division 3 for the smallest gyms?



Source: Varsity internal data: Varsity website; Bain All Star Decision Maker Survey (N=74)

For school cheerleaders, Varsity's Game Day format offers an easier competition alternative

1 Competitions

IN-SCHOOL ONLY

VARSITY OFFERS AN INCLUSIVE GAME DAY COMPETITION FORMAT TARGETING SIDELINE CHEERLEADERS

- Game Day competition format allows cheerleaders to take their sideline skills straight to competition
- Game Day eliminates need for intense athletic ability and expensive choreographers / music
- Combines elements of traditional sideline cheerleading into an unpredictable situation-based performance, including:
  - Band Dance
  - Situation Sideline
  - Time Out Cheer
  - Fight Song
- Scoring is focused on crowd leading, spirit raising and execution; difficulty is a small factor
- Teams must attend a Game Day camp in order to compete in Game Day regionals
- Successful teams at regionals qualify for nationals at NHSCC

GAME DAY BRINGS THE FOCUS BACK ON SPIRIT RAISING AND LIMITS DIFFICULT ROUTINES

Game Day participation at UCA has grown at 86% since its introduction in 2015

Source: Varsity internal data

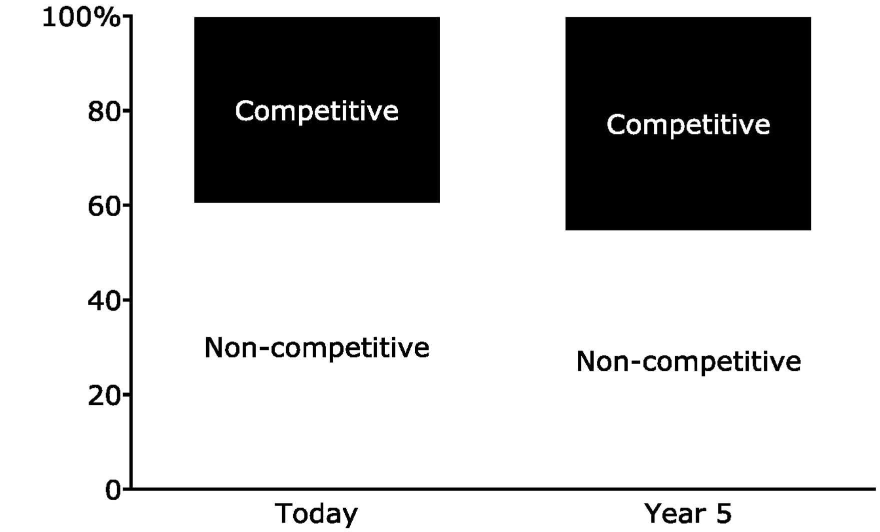
Making competitions more accessible could be worth ~$40M of revenue in 5 years

1 Competitions

PRELIMINARY

IN SCHOOL: UP TO ~$15M IN ADDITIONAL REVENUE IN YEAR 5 FROM CONVERTING NON-COMPETITIVE TO COMPETITIVE AT 1.5% P.A.

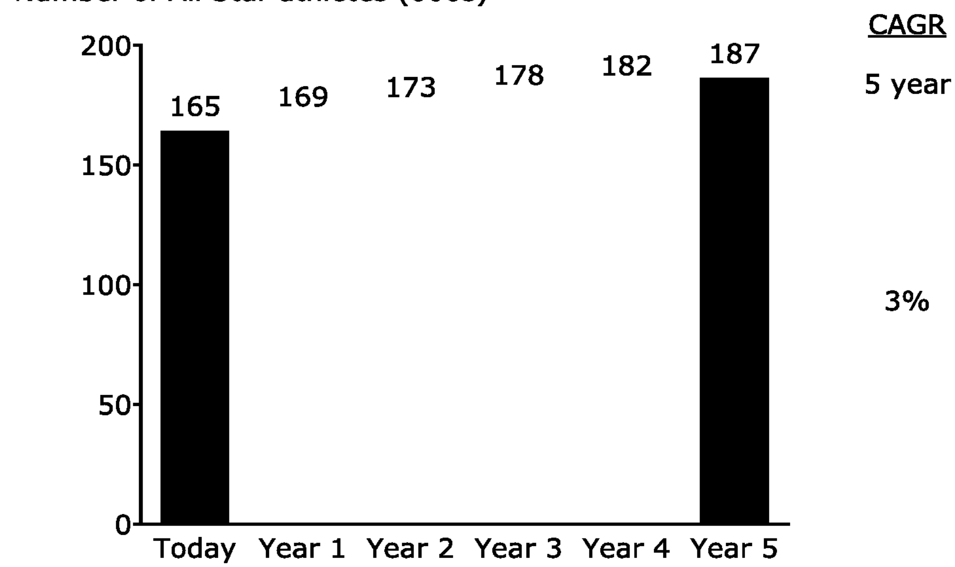
Number of atheletes by in-school segment



Converting 1.5% of school non-competitive cheerleaders per year to competitive is worth additional ~$15M in year 5
(assumes incremental spend of ~$700 per cheerleader and that Varsity captures 60%)

ALL STAR: ~$30M IN YEAR 5 FROM GROWING ALL STAR AT IN SCHOOL PARTICIPATION RATES OF 2.5% P.A.

Number of All Star athletes (000s)



Growing All Star participation at in-school rates is worth additional ~$30M in revenue in year 5
(assumes addressable spend per cheerleader of ~$2.0K per year and that Varsity captures 60%)

Total gross profit opportunity in year 5 of $12-17M

Note: Gross profit opportunity based on 2017 company gross margin for All Star (40%) and school competitions (30%)
Source: Bain Cheer Consumer Survey (N=989); company data

Share of wallet: improving share 5 points in non-uniform apparel could be worth $15-20M in revenue

② Share of wallet

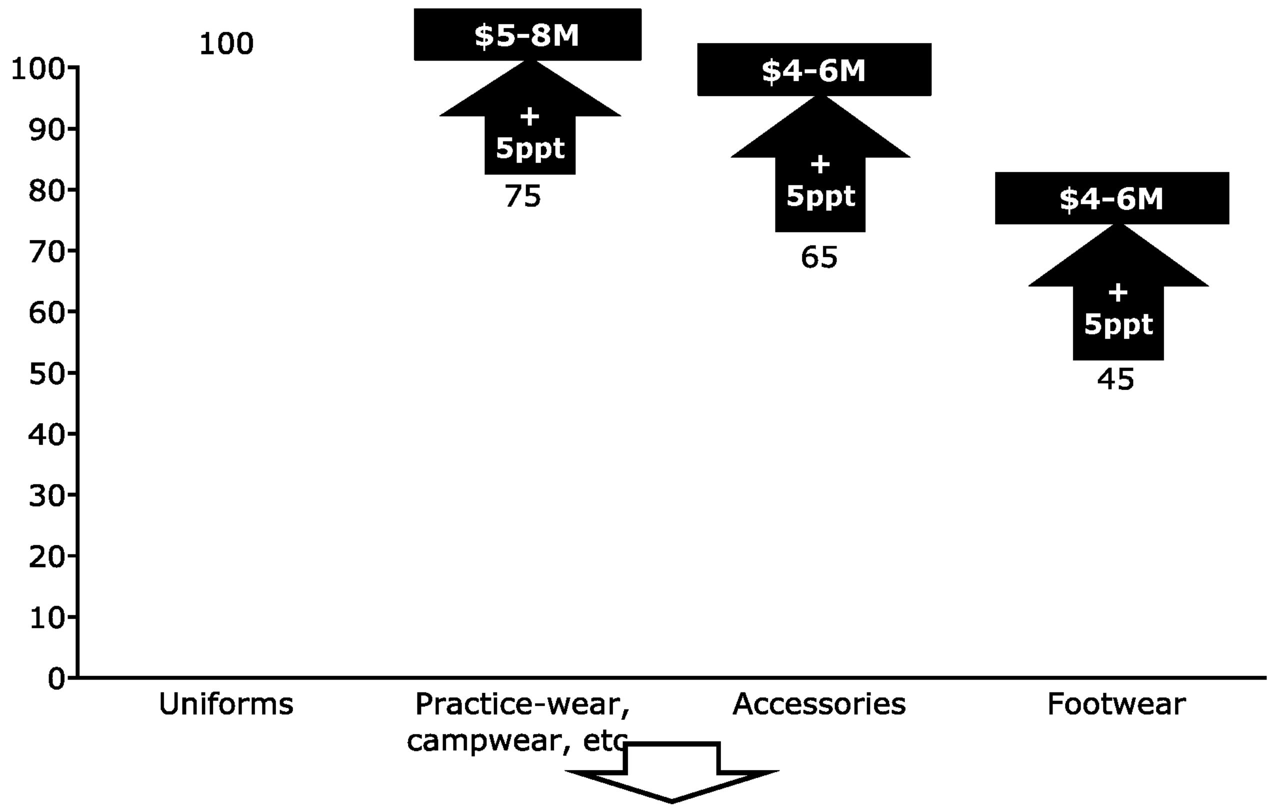
PRELIMINARY

VARSITY CAN INCREASE OTHER APPAREL SHARES

- Varsity can capture some of the difference between its current share of wallet in other apparel categories and its share of wallet for uniforms
- Capturing 5 points additional share in non-uniform apparel categories could be worth $15-20M in revenue
- Options to increase penetration in other categories include:
  - Offering bundled packages and team rates
  - Marketing at new competitions
  - Introducing new line of products at more affordable prices

VARSITY COULD GAIN $15-20M BY INCREASING SHARE OF WALLET IN OTHER APPAREL CATEGORIES

Varsity share of wallet (indexed to uniforms)



Total gross profit opportunity of $6-10M

Note: SoW for uniforms is from decision-makers and All Star coach survey; practice-wear, campwear, other apparel is from the decision-makers' survey; accessories and footwear is from the consumer survey; segment sizes triangulated between VS revenue, share, average total spend by category and number of participants; Gross profit opportunity sized based on ~50% historical apparel margin
Source: Bain Cheer Consumer Survey (N=989); Bain Cheer Decision-Maker Survey (N=171), Bain All Star Decision-Maker Survey (N=74); company data

International: international growth is promising, though opportunity is still small today

③ Expand internationally

IOC RECOGNIZES CHEERLEADING AS PROVISIONAL SPORT

- The IOC provisionally recognized cheerleading as a sport in 2016, opening the door to including the sport in the 2020 Olympic games

International Cheer Union world championships attracting new countries and participants

- 110 countries are now members in the International Cheer Union (ICU), up from 87 in 2010
- The 2017 ICU world championships featured more than 2500 cheerleaders from 70 countries, up from 2000 cheerleaders and 60 countries in 2010
- 2015 featured the only non-US team to win gold in the top "premier" division

INDUSTRY ACKNOWLEDGES OPPORTUNITY

*"**The IOC provisioning cheerleading as a sport is really interesting for potential growth**. I think lots of people are looking to see how countries react. If you look at China, they love to invest in their Olympic team. They could have a big impact."*

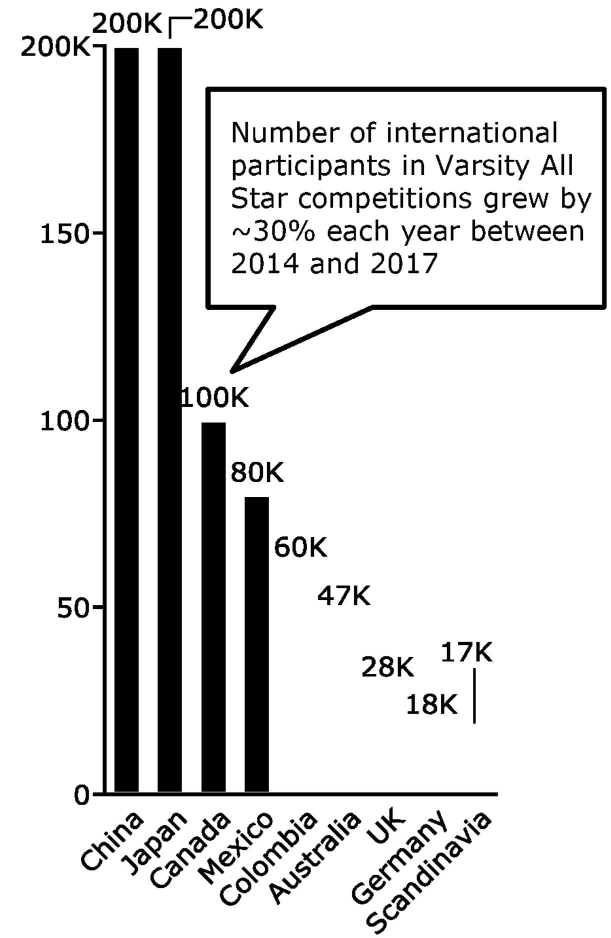
SVP #1, Cheer Brand #1

*"**There has been a ton of focus on international potential by cheer companies and the IOC decision shows it's starting to pay off**. When I was cheering in college we travelled every year to a new country to compete."*

All Star / High School Cheer Coach #2

CHINA, JAPAN, CANADA, AND MEXICO ARE POTENTIAL AREAS FOR EXPANSION

International cheerleaders by country



Source: ICU Press Releases, Varsity internal data

Cheerleading strategic priorities

*Overall goal: **drive participation and spend per athlete in both school and All Star segments***

WHAT

Grow in-school participation (especially competitive segment)	Increase All Star competition attendance	Grow spend per cheerleader	Increase presence outside US

1 MAKE COMPETITIONS MORE ACCESSIBLE

Local competitions
Increase local competition penetration to allow cheerleaders to compete while limiting travel time and expenses

Less expensive competitions
Expand competitions (like EPIC) with lower entrance fees to appeal to cheerleaders currently priced out of competing

Easier alternatives
Offer easier alternatives such as Game Day and Division 2 competitions for less serious cheerleaders

2 INCREASE SHARE OF WALLET IN NON-UNIFORM APPAREL

Cross-sell opportunity
Bundle other apparel categories (i.e. accessories, practice-wear, campwear, footwear) with uniforms for teams and schools

Affordable apparel line
Create and/or market lower-price apparel to cheerleaders who spend less on apparel and with Varsity

3 EXPAND INTERNATIONALLY

Grow international presence in camps and competitions through acquisitions; sell lower-cost apparel in countries with a strong existing base of cheerleaders

USE SALESFORCE AND MARKETING AS AN ENABLER

Train salesforce to capitalize on bundling opportunity; target marketing to appeal to less competitive cheerleaders; promote affordable apparel at new events and through existing platforms

Agenda

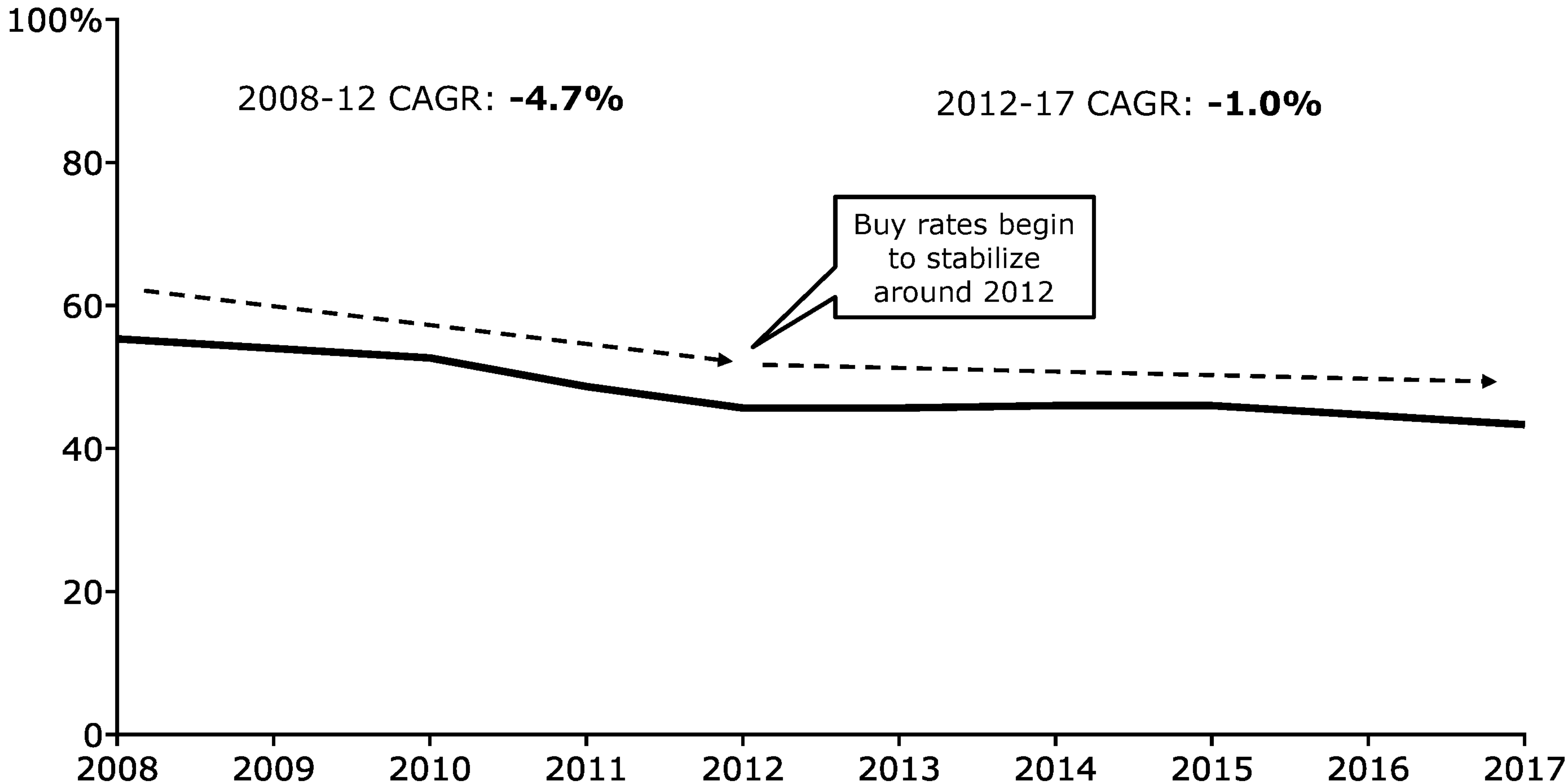
- BSN
- Spirit
- Herff Jones

Overall findings: **Yearbooks**

- **High school yearbook buy rates are down ~1% p.a. over the last 5 years**; this represents a stabilization of the long-term trend
- **Stabilization of buy rates is lasting**, and driven by:
  - **Perception of the yearbook as a valuable physical memento**: desire for a physical memento is still the #1 reason for purchasing a yearbook; digital yearbooks are not seen as a viable replacement
  - **Lack of replacement by social media**: social media penetration has peaked among high school-age kids, and people still do not see social media as replacing the yearbook
  - **Value of yearbook class**: yearbook class is valued by both students and teachers, and continues to provide valuable real-world skills and help kids with college applications
  - **Sell-through support executed by Herff and competitors**: Herff Jones and competitors have executed sell-through strategies designed around partnering with yearbook advisers throughout the year, which have driven results
- To maintain share and support stabilizing buy rates, Herff Jones can:
  - **Continue to work closely with schools to improve sell-through rates**
    - Partner with yearbook advisers and students throughout creation/sales cycle; customer relationships and loyalty are critical for yearbook sales
    - Offer events and incentives like yearbook signing parties
  - **Co-create yearbook content with schools to support "virtuous cycle" of sell-through**
    - Templates, tools and support are key purchase criteria for teachers
    - Competitors are investing in custom software and getting good feedback

Yearbook buy rates have stabilized at -1% p.a. since 2012

Three-year rolling average buy rate
(# purchased / High school students)



Source: Yearbook and class jewelry consumer survey (N=1,500)

Several key drivers have supported stabilization of buy rates in recent years

	DRIVER	RATIONALE	COMMENTARY
Long term underlying drivers	1 **Desire for a physical memento remains high**	• Desire for a physical memento is the #1 criteria for yearbook buyers; this remains unchanged in last three years	*"Kids aren't going to look at a book that's digital.* ***They want a paper book****."* Yearbook teacher, Public HS #4
	2 **Yearbook class adds value to student experience**	• Yearbook seen as valuable activity that teaches real world skills and can help student's college applications	*"There are plenty of students that* ***yearbook class has helped get into college****... The students love it."* Yearbook teacher, Public HS #4
Recent developments	3 **Social media is not widely seen as a replacement for yearbook**	• Social media penetration has plateaued in high school age group • Most students continue to believe that social media is not a replacement for the yearbook	*"****Yearbooks are still relevant****. Students still want them."* Manager of sales operations, Competitor #2
	4 **Improved sales rep tactics promote higher buy rates**	• Building stronger partnerships with schools and providing support at all stages of the year drives better yearbook content and increases demand	*"It's all about your* ***relationship*** *with the provider."* Yearbook teacher, Public HS #3

Source: industry participant interviews

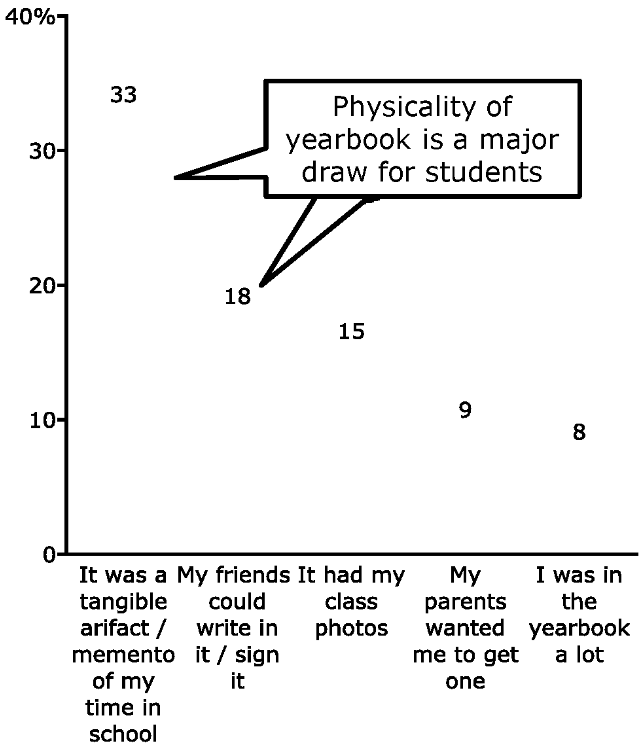
Students' desire for a physical memento is still powerful

1 Physical memento

DESIRE FOR MEMENTO OF TIME IN SCHOOL STILL DRIVES YEARBOOK PURCHASES

Please rank the 5 most important things to you when you last purchased a high school yearbook.

% of respondents ranking each criteria as most important



Rank 3 years ago	#1	#2	#3	#4	#6

TEACHERS CONFIRM STUDENT ENTHUSIASM, STILL ADVOCATE FOR PHYSICAL BOOKS

"Kids will just throw stuff in their cars. ***How much easier is it to lose a DVD than a book?"***

Yearbook adviser, Public HS #1

"The students like to have a physical thing in their hand. ***I'm not so sure that digital is ever going to be the big thing****."*

Yearbook teacher, Public HS #3

"There's something about having the book itself. I think ***having a physical book*** *to sign* ***is more exciting****.*

Yearbook teacher, Public HS #4

NOSTALGIA AND INTEREST IN A TANGIBLE MEMENTO AFFECT OTHER INDUSTRIES AS WELL

"Building ***social connectedness through nostalgia*** *is an easy way for companies to* ***leverage the optimistic feelings that often accompany walks down memory lane****."*

Forbes, August 2016

"Ebook sales have plateaued or even begun to decline. It turns out that ***not all readers are quite ready to give up the tactile pleasures of holding a hardcover or paperback in their hands*** *in order to partake of the convenience and digital features of e-reading."*

LA Times, May 2017

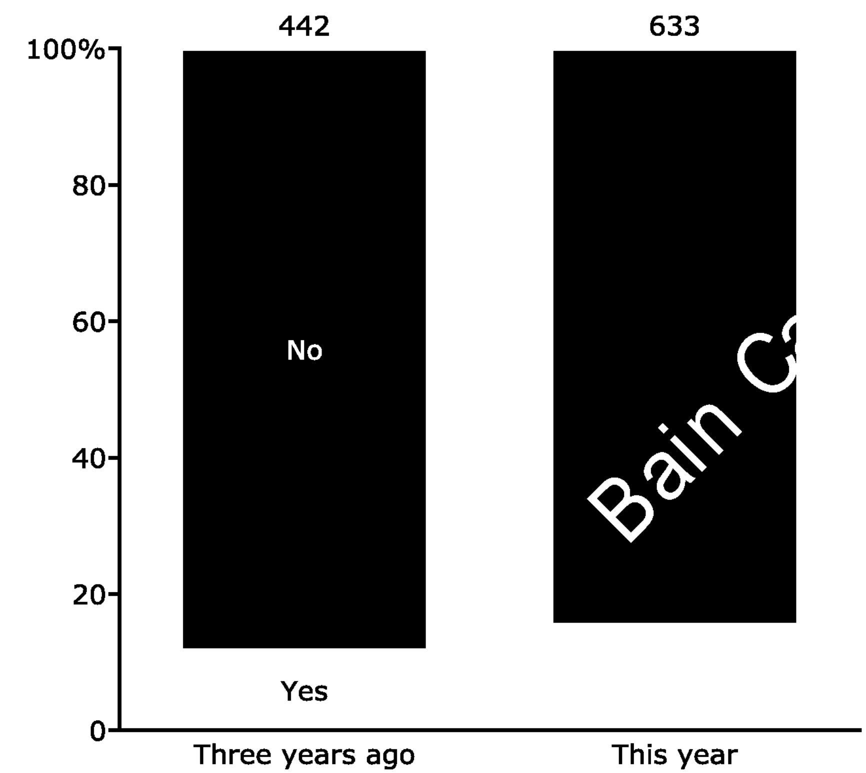
Source: Yearbook and class jewelry consumer survey (N=1,500); industry participant interviews

Digital yearbooks have not taken hold in many schools

1 Physical memento

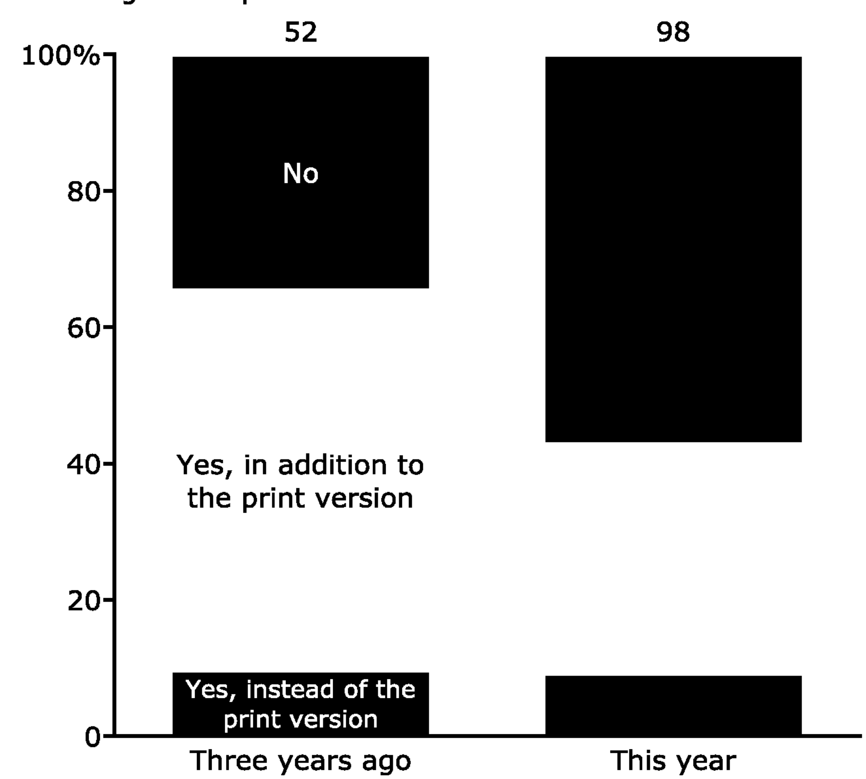
MOST SCHOOLS ARE STILL NOT OFFERING DIGITAL YEARBOOKS…

When you purchased your high school yearbook, was there also a digital or online yearbook option available to you?



…AND WHERE DIGITAL IS OFFERED, STUDENTS RARELY BUY THEM AS SUBSTITUTES

[of those with the option] Did you purchase the online version?



Source: Yearbook and class jewelry consumer survey (N=1,500)

Yearbook class remains a critical offering for many schools and is often used in college applications

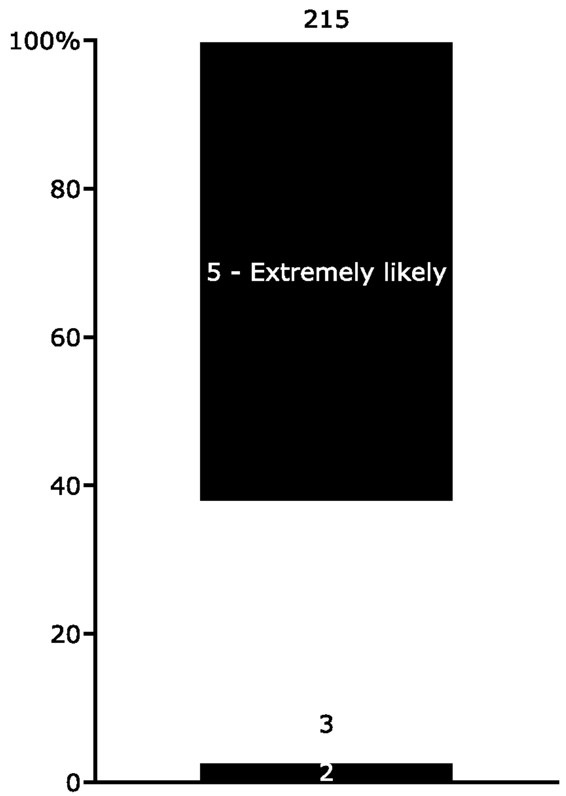
2 Yearbook class

PRELIMINARY

TEACHERS BELIEVE YEARBOOKS WILL BE OFFERED IN FUTURE

How likely is it that your school will still be offering yearbooks 5 years from now?

Number of respondents



SCHOOLS VALUE YEARBOOK CLASS BEYOND THE PRODUCTION OF THE BOOK ITSELF

Journalism experience

*"**A lot of the kids who are editors are interested in print design**, so they get to work on something they're excited about."*
Yearbook adviser, Private HS #2

*"**My yearbook class taught the foundation to American journalism**. I taught typography, intro photography, and InDesign."*
Yearbook teacher, Public HS #2

College admissions

*"There are plenty of students that yearbook class has **helped get into college**... The students love it."*
Yearbook teacher, Public HS #4

*"**People love having something to put on their college applications**, and you get to be in charge of the way the school year is memorialized."*
Yearbook adviser, Private HS #2

Overall value

*"Working in teams, time management, goal setting, computers and photography, sales, public speaking... **They get a lot of skills from being in the class.**"*
Yearbook teacher, Public HS #4

*"It's an **amazing and integral part of high school.**"*
Yearbook teacher, Public HS #3

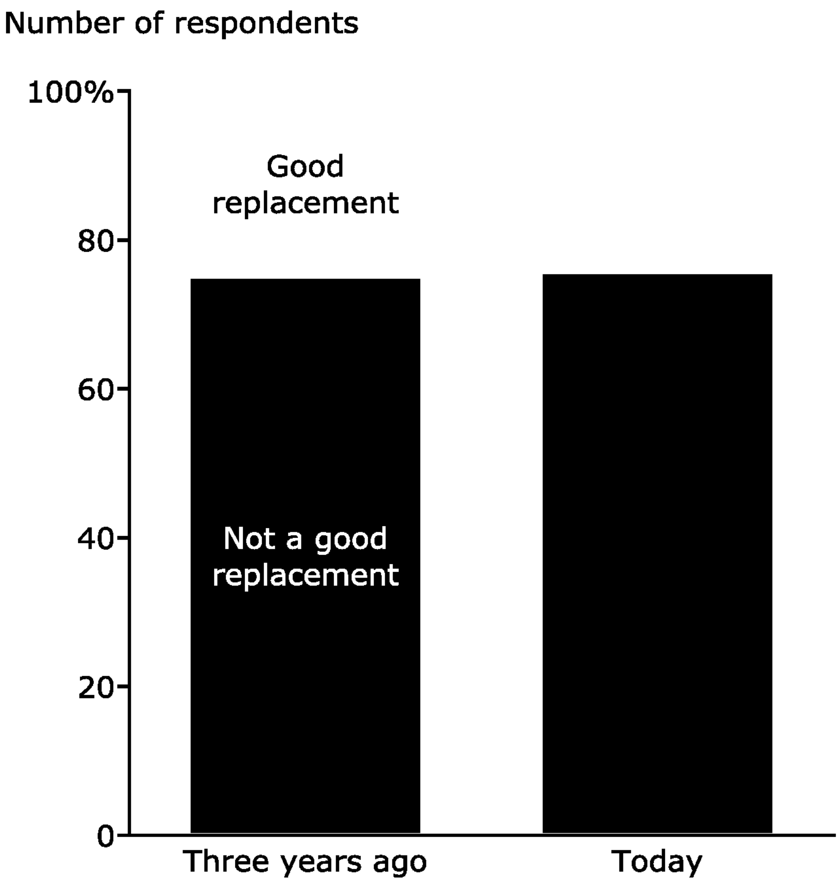
Source: industry participant interviews; Decision maker survey (N=495)

Social media is not considered a good replacement for the yearbook

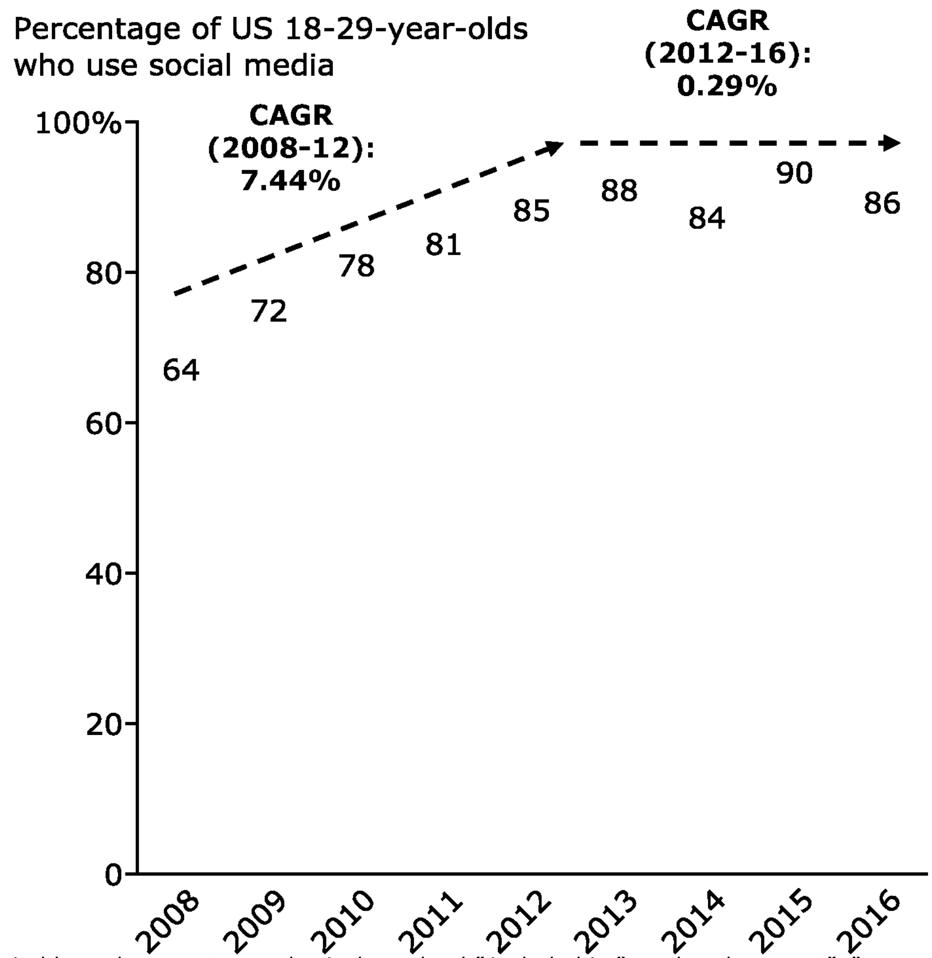
3 Social media

MOST STUDENTS DO NOT SEE ONLINE OPTIONS AS A GOOD REPLACEMENT

To what extent are online options (such as Facebook, Instagram, or Shutterfly) a suitable replacement to a physical yearbook?



SOCIAL MEDIA PENETRATION HAS LEVELED OFF FOR YOUNG ADULTS



Note: Students who responded 4, or 5 on a 1-5 scale to "to what extent are online options a suitable replacement to a physical yearbook" included in "good replacement"; "use social media defined as using at least one social media site.
Source: Yearbook and class jewelry consumer survey (N=1,500); Pew Research Center

Herff Jones, Balfour, and Jostens are key competitors in high school yearbooks

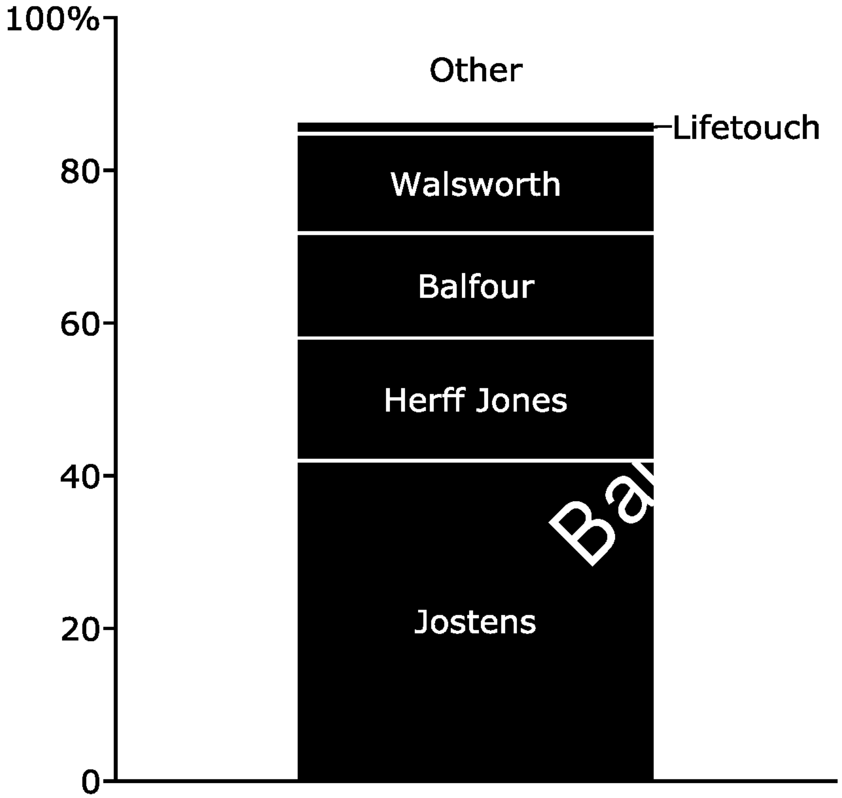
PRELIMINARY

	MAJOR HIGH SCHOOL-FOCUSED PLAYERS	SMALLER PUBLISHERS	DIGITAL PLAYERS
Key players	Herff Jones, Balfour, Jostens	Lifetouch, Walsworth	picaboo
Business description and core products	• Sell high-quality, print yearbooks to schools • Independent sales reps contract with schools on behalf of company • Also offer online supplement to complement physical book	• Smaller scale yearbook publishers who typically leverage high-quality printing expertise from other products lines • Lifetouch's yearbook business focuses primarily on middle and elementary schools	• New entrants offering low-cost, highly-customized alternatives to print yearbook • Some players are completely digital, but others offer a physical yearbook
Sales channels	• Independent sales representatives	• Sales representatives	• Online website • Sales representatives
Other products offered	• Class and championship rings • Caps and gowns • Graduation announcements • Letterman jackets and apparel	• Portrait services • Portrait products • Calendars • Fine papers	• Photo books • Cards • Calendars • Posters • Graduation invitations

Herff Jones has held share in high school yearbooks

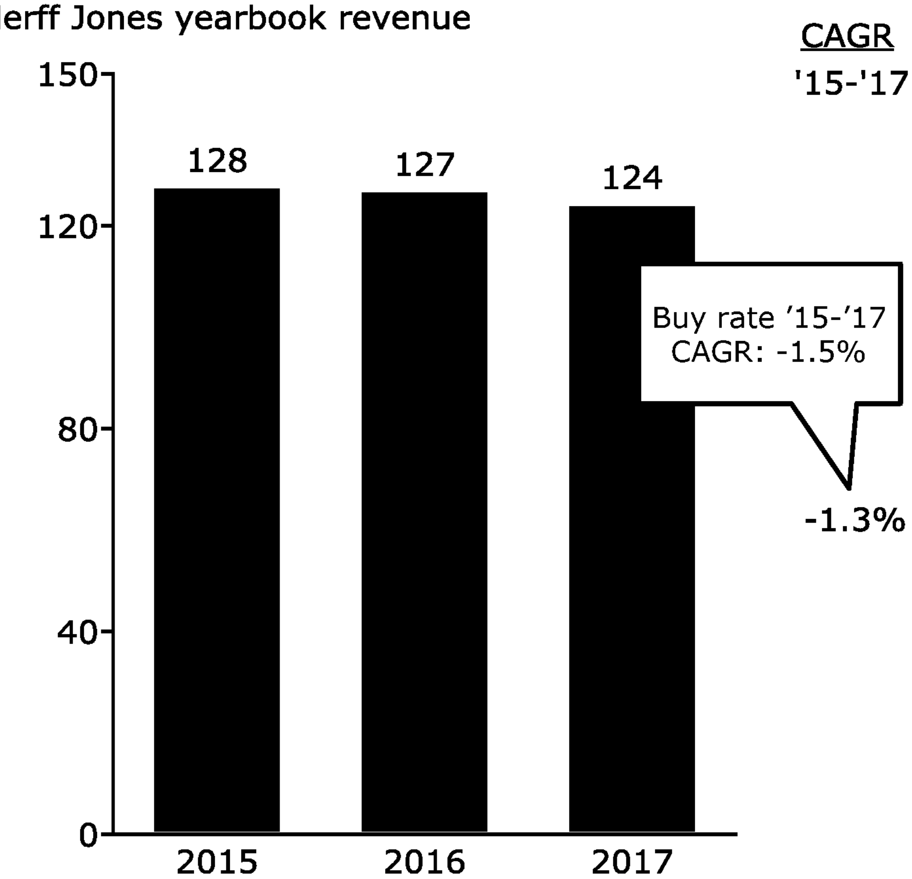
HERFF IS THE #2 OVERALL VENDOR

Revenue by competitor



HERFF REVENUE HAS DECLINED IN LINE WITH BUY RATES

Herff Jones yearbook revenue



Source: Yearbook and class jewelry consumer survey (N=1,500); HJ internal data

There are several key strategies Herff Jones can use to continue to improve yearbook buy rates

	STRATEGY	OVERVIEW	COMMENTARY
1 Support sell-through with sales tactics	**Help with yearbook team onboarding/ kickoff**	• Build relationship with yearbook adviser and work together to plan for the year	*"I think it's all about **your relationship with the provider**."* Yearbook teacher, Public HS #3
	Assist in planning and budgeting	• Help translate the yearbook vision into an achievable budget	*" A lot of yearbook teams don't really market their yearbooks. **They don't know how to push it**."* Yearbook adviser, Public HS #1
	Encourage pre-sale	• Create incentives and events to encourage purchasing	*"The schools that are doing well in selling yearbooks are **the ones pushing tradition**."* CEO, Competitor #2
	Track selling progress	• Measure, track and congratulate when goals are met	
2 Help schools improve product	**Support yearbook team throughout cycle**	• Share best practices and assist yearbook team with planning, structure, design, etc.	*"My whole thing my whole career has been customer service. **Can I rely on someone to provide me the services I need**?"* Yearbook adviser, Public HS #1
	Provide innovative software	• Focus on competitive software offering and co-create content with yearbook class	*"If I were picking a new publisher, the big thing I would look for would be **how easy their software is to use**."* Yearbook teacher, Public HS #4

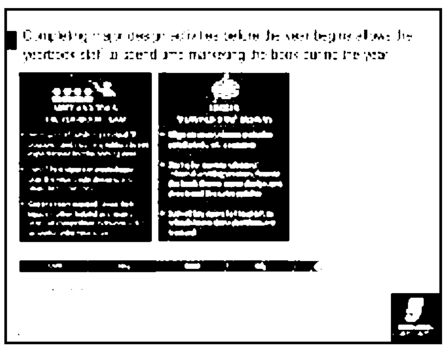
Source: industry participant interviews

Reps can encourage sell-through by staying close to schools throughout the year

1 Support sell through

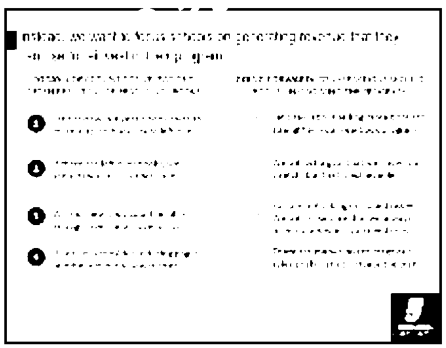
YEARBOOK TEAM ONBOARDING & KICKOFF

- Meet with adviser to discuss prior year and set vision
- Set expectations for engagement level and touch points
- Lock-in key book designs to free up selling time
- Host production workshop for schools



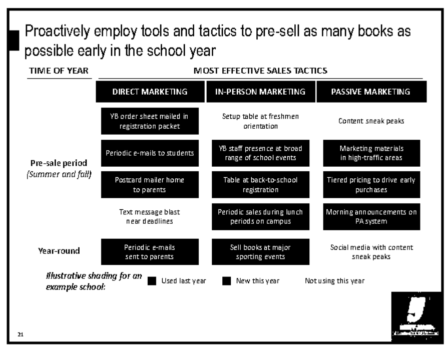
PLANNING AND BUDGETING

- Translate YB vision into an achievable budget
- Focus generating revenue, not making book cheaper
- Encourage school to develop marketing plan
- Agree upon sales targets and milestones



PRE-SALE

- Advocate for yearbook to be included in registration fees
- Personally attend on-campus events
- Create incentives for early purchasing
- Engage freshmen
- Closely track sales against plan
- Congratulate YB team as they meet targets



Proactively employ tools and tactics to pre-sell as many books as possible early in the school year

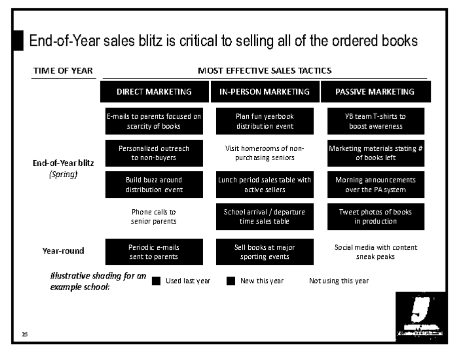
TIME OF YEAR	MOST EFFECTIVE SALES TACTICS		
	DIRECT MARKETING	IN-PERSON MARKETING	PASSIVE MARKETING
Pre-sale period (Summer and fall)	YB order sheet mailed in registration packet	Setup table at freshmen orientation	Content sneak peaks
	Periodic e-mails to students	YB staff presence at broad range of school events	Marketing materials in high-traffic areas
	Postcard mailer home to parents	Table at back-to-school registration	Tiered pricing to drive early purchases
	Text message blast near deadlines	Periodic sales during lunch periods on campus	Morning announcements on PA system
Year-round	Periodic e-mails sent to parents	Sell books at major sporting events	Social media with content sneak peaks

Illustrative shading for an example school: Used last year; New this year; Not using this year

21

SELLING

- Frequently measure progress against targets
- Track seniors who haven't purchased, launch targeted reminder campaigns
- Congratulate advisers and students as they meet targets



End-of-Year sales blitz is critical to selling all of the ordered books

TIME OF YEAR	MOST EFFECTIVE SALES TACTICS		
	DIRECT MARKETING	IN-PERSON MARKETING	PASSIVE MARKETING
End-of-Year blitz (Spring)	E-mails to parents focused on scarcity of books	Plan fun yearbook distribution event	YB team T-shirts to boost awareness
	Personalized outreach to non-buyers	Visit homerooms of non-purchasing seniors	Marketing materials stating # of books left
	Build buzz around distribution event	Lunch period sales table with active sellers	Morning announcements over the PA system
	Phone calls to senior parents	School arrival / departure time sales table	Tweet photos of books in production
Year-round	Periodic e-mails sent to parents	Sell books at major sporting events	Social media with content sneak peaks

Illustrative shading for an example school: Used last year; New this year; Not using this year

25

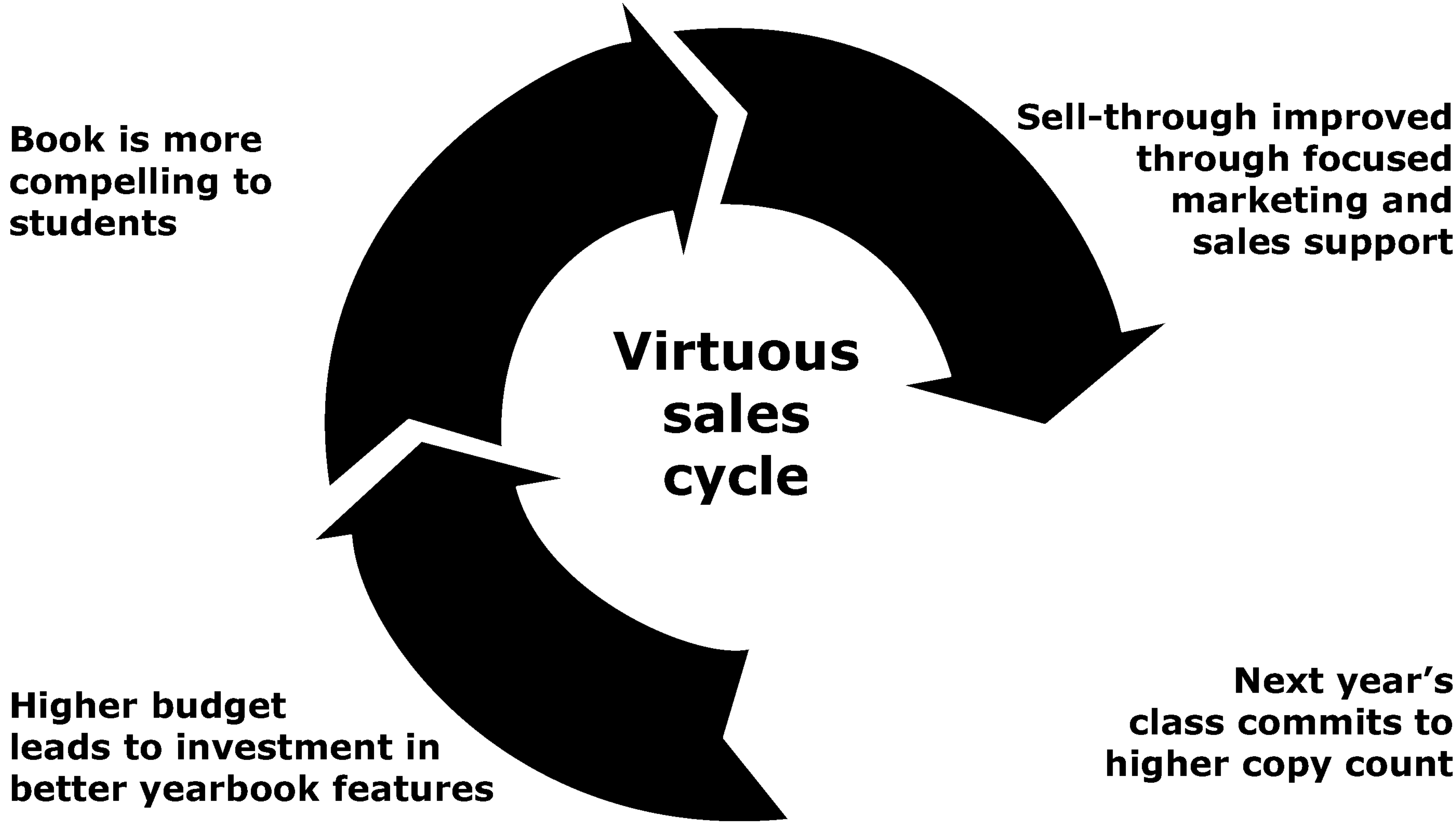
Building relationships is key to a lasting, successful partnership

1 Support sell-through

	ROLE	HOW TO BUILD RELATIONSHIP	VALUE THE RELATIONSHIP CREATES
School principal	• Selects yearbook adviser • Approves vendor • Approves budget	• Remind of **last year's successes** or **propose solutions** to main challenges • **Stop by** or leave notes to check in and report on students' progress • Ask how the **YB can support other school initiatives**	• Establishes **connection** with school that **extends beyond advisers** who can turnover frequently • **Link to other parts of school** that could be helpful with selling (e.g., athletic department, business club)
Yearbook adviser	• Oversees yearbook creation • Recommends vendor • Prepares yearbook budget	• Compliment adviser on highlights of prior book • **Discuss pain points and** from last year's process and **offer solutions** • Propose **trainings** or **tips** to increase adviser's capacity to focus on non-production activities	• **Collaboration on key decisions** (ex. sales goal) • **Well-functioning program** requires less servicing • **Increased sales and marketing** support
Yearbook editors 	• Manage day-to-day production • Drive key design decisions • Promote book among classmates	• Invite incoming editors to spring **kick-off meeting** • **Encourage editors to attend summer workshops** • **Set expectations for on-time delivery** of both sales and production • **Support yearbook production** on an **ongoing basis**	• Additional **partners at the school** to **drive sales and marketing** efforts • More **receptive audience** to coaching on keeping the **program running efficiently**

Supporting sell-through ultimately leads to loyal customers and a better yearbook product

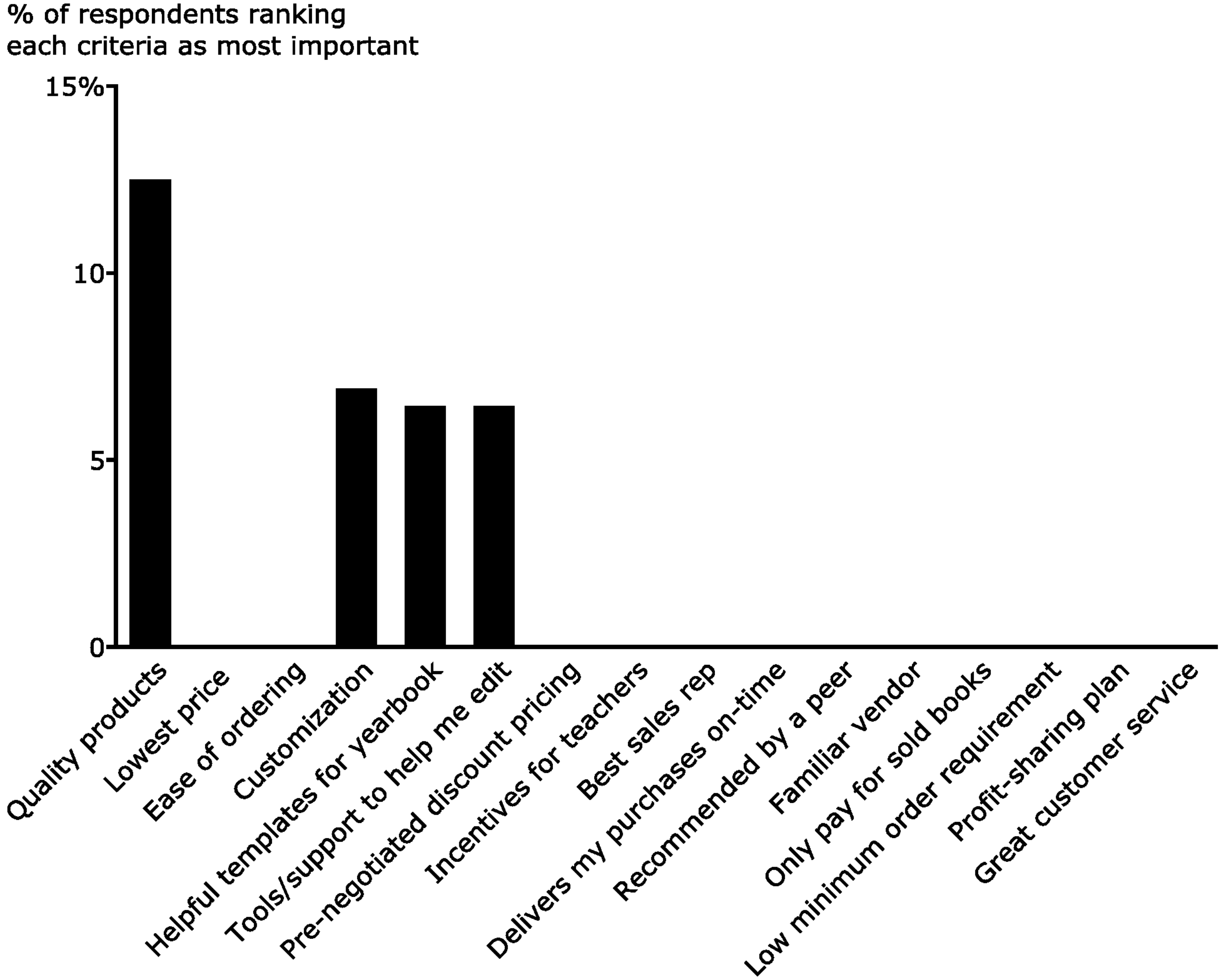
1 Support sell-through



To create a better product, teachers rely on yearbook vendors for templates and tools

2 Improve product

TOOLS, TEMPLATES, AND SUPPORT ARE CRITICAL OFFERINGS FOR YEARBOOK ADVISERS WHEN CHOOSING A VENDOR



Source: Decision maker survey (N=495)

TEACHERS AGREE ON KEY ROLE OF TECHNOLOGY

"I personally really like Jostens because of their outstanding tech support and 1-800 number. ***I called and they walked me through everything I needed help with****."*

Yearbook teacher, Public HS #2

"I stopped using one publisher because ***I hated their software so much****."*

Yearbook teacher, Public HS #4

"The advent of technology is starting to help ***turn yearbooks around****."*

Manager of sales operations, Competitor #2

Herff recently upgraded software to Adobe; opportunity to increase penetration

2 Improve product

JOSTENS HISTORICALLY KNOWN FOR HIGH QUALITY SOFTWARE

- Jostens was the first publisher to offer an Adobe hosting software, and **signed an exclusive contract with Adobe, but exclusivity has now expired**
- Jostens **software package for planning, creation and sales management is recognized as industry-leading**
- Offerings are **well-advertised on Jostens website**
  - Both its online yearbook program and its Adobe program have pages linked from the Jostens homepage
  - Videos on the website to promote its software offerings

*"Software is key. When Jostens introduced theirs five years ago, it disrupted the market. **From a technology perspective, Jostens is on top.**"*

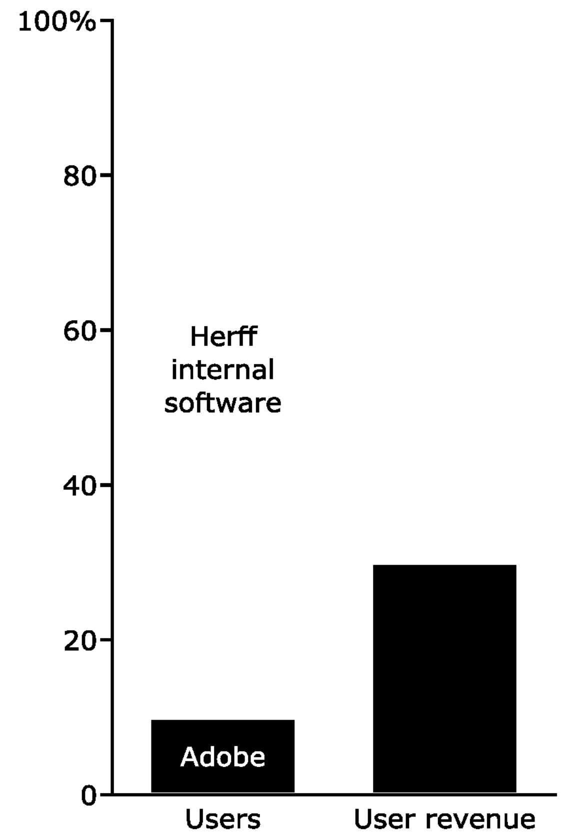
CEO, Competitor #2

HERFF RECENTLY INTRODUCED ADOBE SOFTWARE

- Herff's legacy yearbook design software offering falls short of the depth of Adobe InDesign
- Herff now offers **an InDesign and Photoshop hosting program via Adobe**
- This software **provides users with the most updated versions of Adobe software** and the **ability to work remotely on their yearbooks**
- Herff can do more to **market and promote** its Adobe product
  - There is no information about software on the main Herff website
  - No way to access Herff's eDesign program or business program from the HJ website
  - The website also does not mention Herff's Adobe program

ADOBE USERS ARE ~10% OF HERFF CUSTOMERS, BUT ARE HIGH SPENDERS

Percentage of Herff Jones users/revenue



Source: HJ internal data

Overall findings: **Class jewelry**

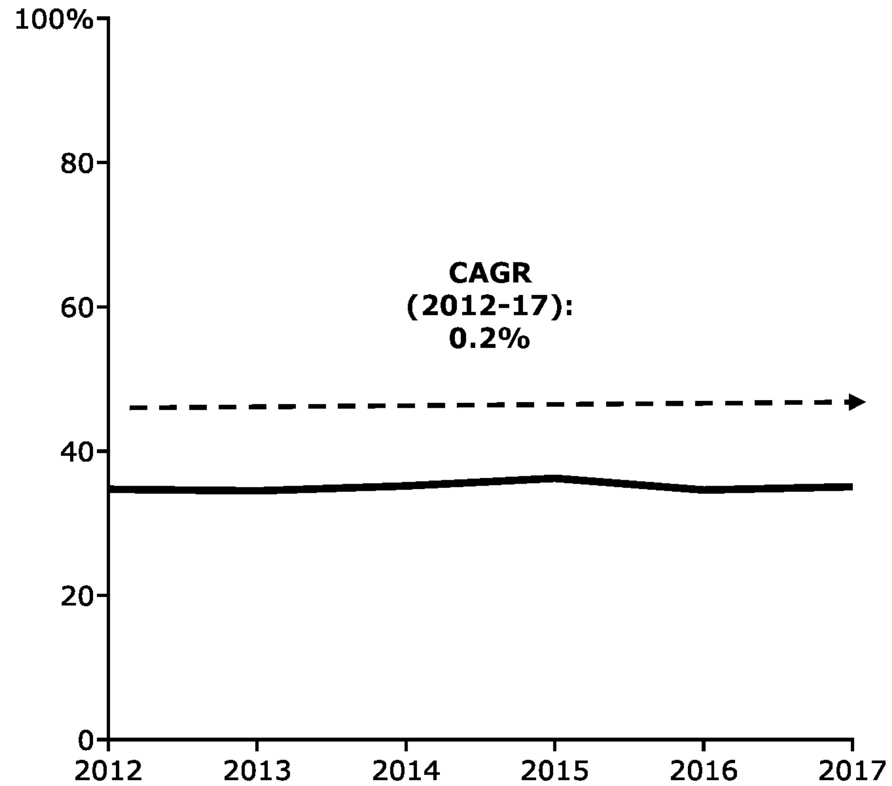
- **The overall buy rate for high school class jewelry has been flat since 2012**; students value having a unique memento to remember their friends and celebrate their time in school
  - Flat buy rates are, in part, a function of other, non-ring, class jewelry gaining share: ring buy rates are slightly down, but the buy rate of other jewelry is up ~18% p.a. (to ~8% total)
  - Cost of class rings and jewelry is the main reason for not purchasing; Herff Jones class rings cost nearly $400 on average, and teachers report prices have risen in recent years
- **Herff Jones has ~15% share in class jewelry today;** Jostens, the industry leader, has been gaining share due to price leadership and product innovation
- In order to boost class jewelry buy rates and regain share, Herff Jones should:
  - **Innovate in non-ring jewelry**: Herff lags Jostens in non-ring styles; as popularity of other jewelry continues to increase, Herff can invest in innovation in the category (e.g., design partnerships)
  - **Create compelling DTC online experience and offering**: Herff's website experience lags Jostens and key components, such as the online ring configurator, should be upgraded; many consumers now purchase or design rings online (~20% of Herff customers buy on the website), and Herff must invest in improving online presence to be competitive
  - **Employ partnership/sales tactics**: there are multiple opportunities throughout the year for Herff reps to partner with schools to drive sales; this should continue to be a focus
  - **Adjust pricing**: price is an important KPC for selecting a vendor and switching vendors; Herff lags Jostens on pricing and must address the price/value prop for consumers and schools

Class jewelry buy rates have been flat since 2012; people value having a unique memento

JEWELRY BUY RATES ARE HOLDING STEADY

Did you get a class ring or any other type of class jewelry during high school?

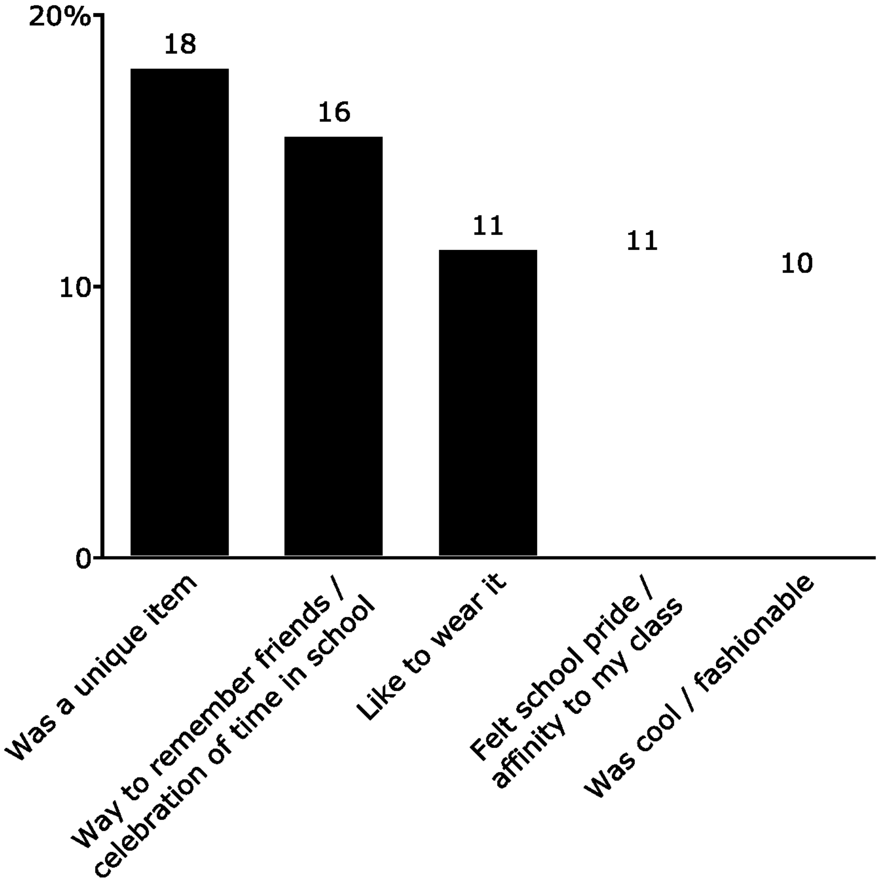
Three-year rolling buy rate (# purchased/ Graduating high school seniors)



JEWELRY BUYERS VALUE HAVING A UNIQUE ITEM TO REMEMBER HIGH SCHOOL EXPERIENCE

Please rank the 5 most important reasons why you decided to purchase class jewelry.

% of respondents ranking each criteria as most imporant



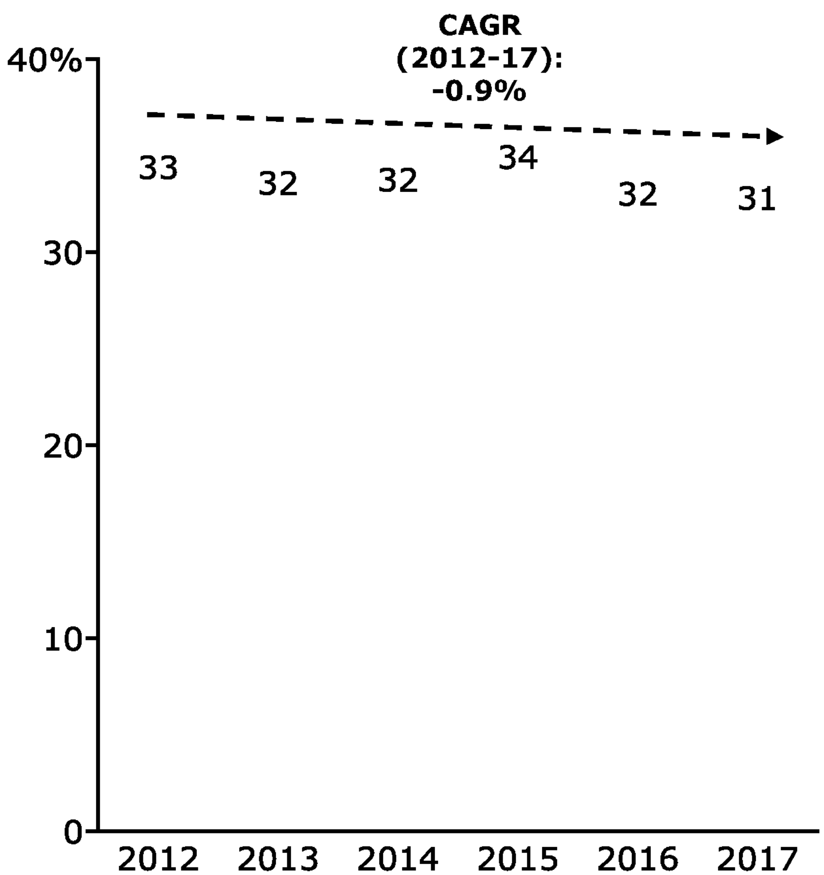
Source: Yearbook and class jewelry consumer survey (N=1,500)

Within class jewelry, non-ring jewelry has been gaining in popularity

THE POPULARITY OF CLASS RINGS HAS STABILIZED…

Did you get a class ring during high school?

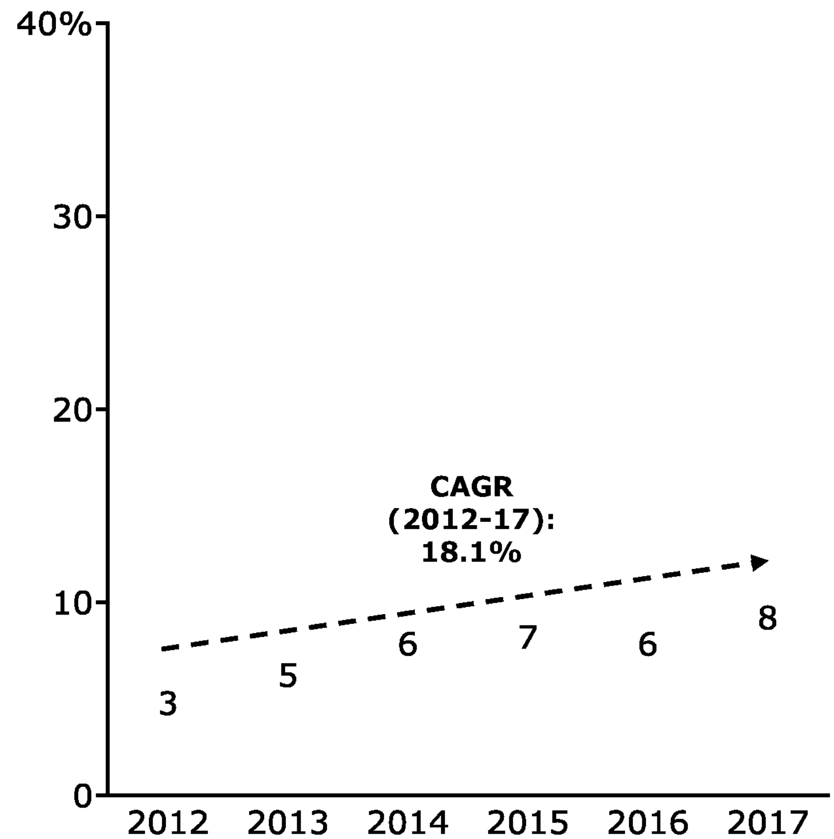
Three-year rolling buy rate(# purchased/ Graduating high school seniors)



…WHILE NON-RING JEWELRY HAS BECOME INCREASINGLY POPULAR

Did you get class jewelry (other than a class ring) during high school?

Three-year rolling buy rate (# purchased/ Graduating high school seniors)



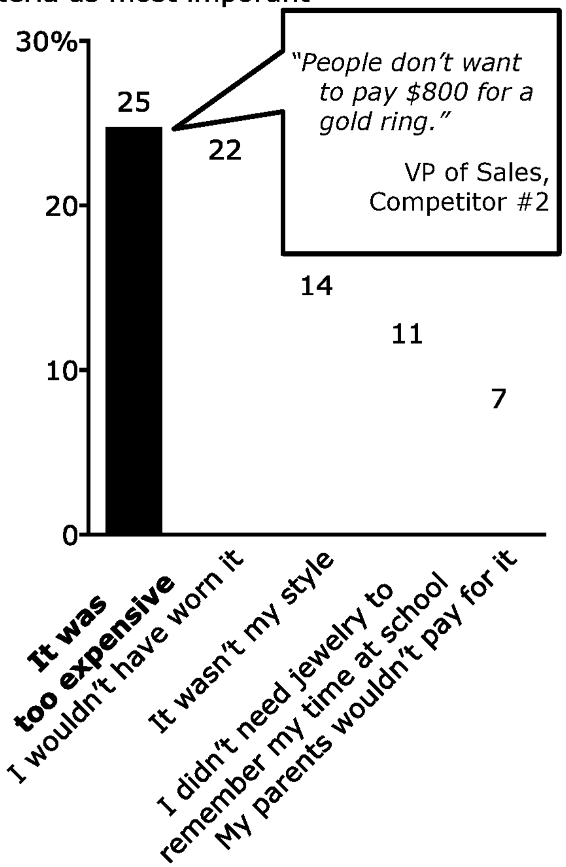
Source: Yearbook and class jewelry consumer survey (N=1,500)

Price is the top reason why people do not purchase class jewelry

PRICE IS #1 REASON CUSTOMERS DON'T BUY JEWELRY

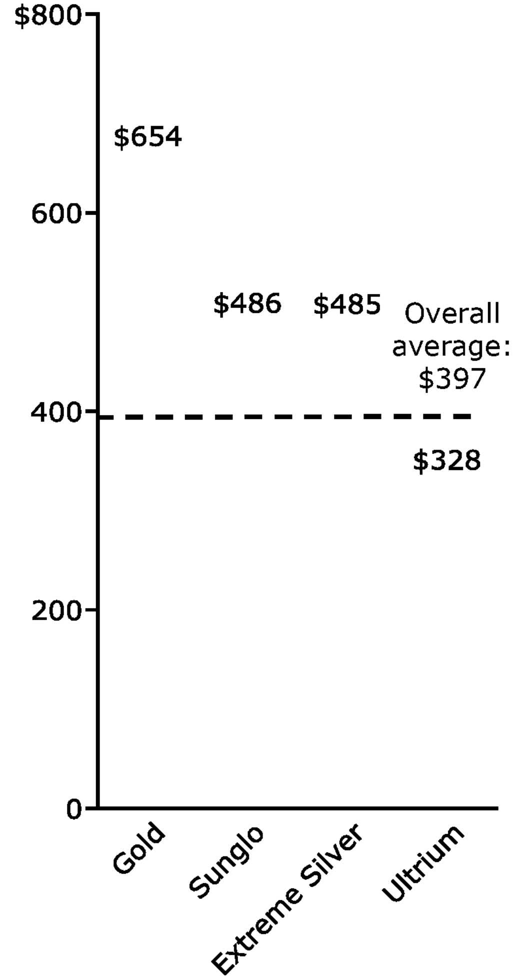
Please rank the 5 most important reasons why you decided to not purchase class jewelry.

% of respondents ranking each criteria as most imporant



THE AVERAGE HERFF JONES RING IS ALMOST $400

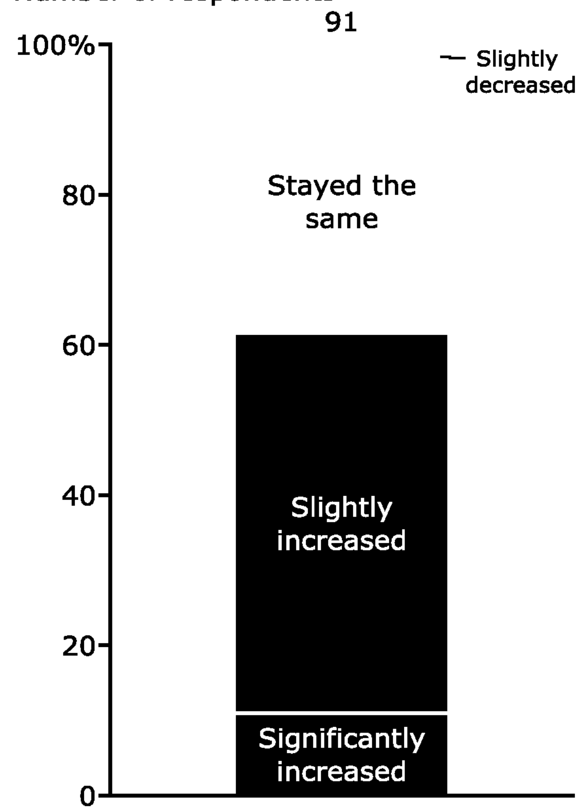
Average 2017 Herff Jones ring price by metal type



TEACHERS AND PRINCIPALS SAY THE PRICE OF RINGS HAS GONE UP IN THE LAST 3 YEARS

How have prices for class rings changed over the past three years?

Number of respondents

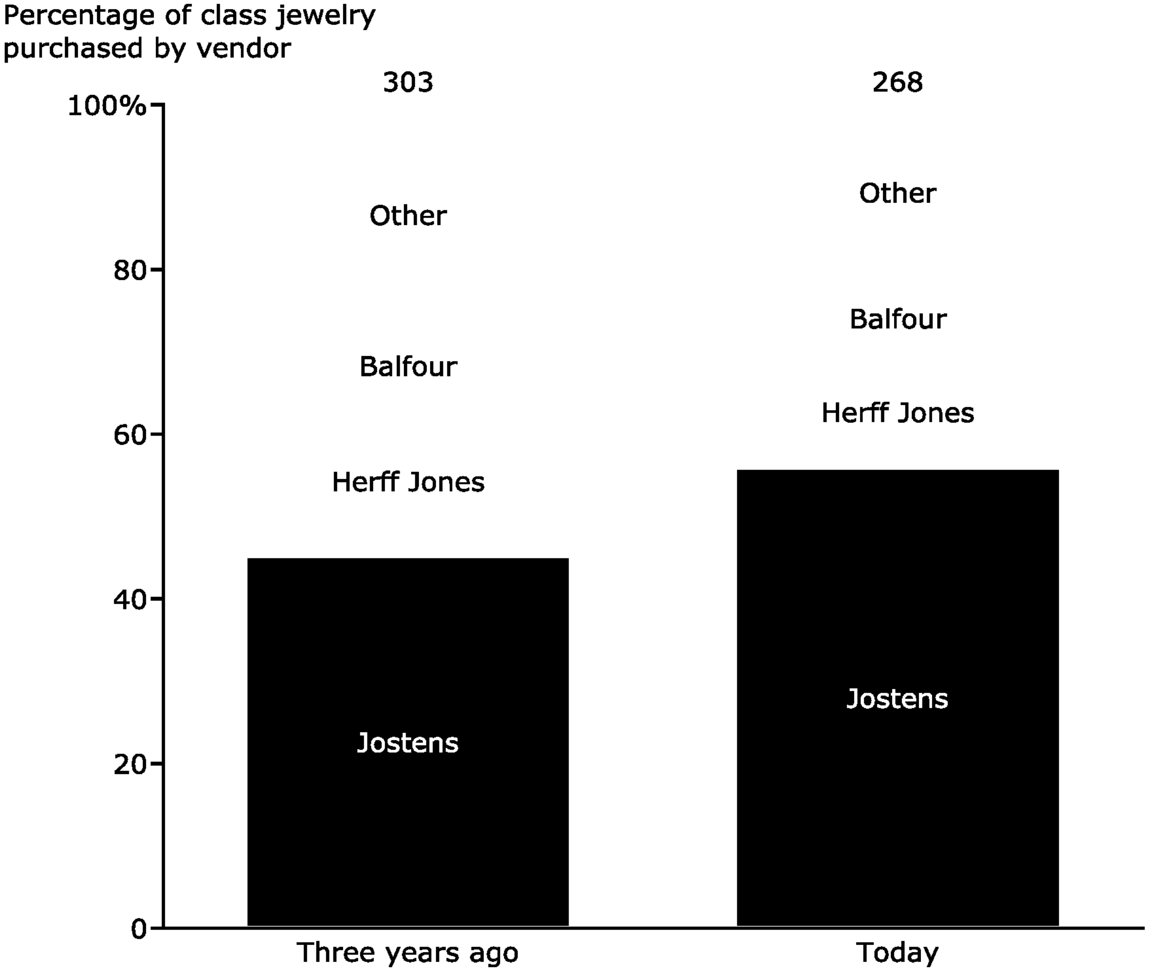


Source: Yearbook and class jewelry consumer survey (N=1,500); HJ internal data; decision maker survey (N=495)

Herff, Jostens, and Balfour are top 3 vendors in class jewelry; Jostens has gained share in last 3 years

THE BIG 3 HAVE MAINTAINED THEIR TOTAL SHARE; JOSTENS IS WINNING

Which company provided your class jewelry?



JOSTENS WINS ON PRICE AND INNOVATION

- Jostens' innovative **design partnerships and expansion to other jewelry** have driven share gain

> *"Consumers respond more to designer partnerships like what Jostens has implemented. **It's buzzworthy, which lifts the brand.**"*
>
> Director of Product Development, Competitor #2

- **Pricing** for Jostens is slightly lower than other Big 3 players

> *"When the consumer is thinking about rings, **the first thing they're going to think is, 'How is the price?'.**"*
>
> CEO, Competitor #2

- **Website** experience is best-in-class

Source: Yearbook and class jewelry consumer survey (N=1,500); industry participant interviews

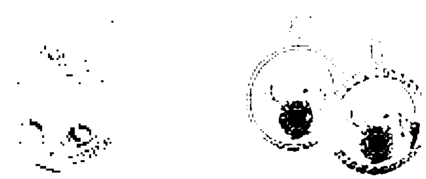
In order to grow in class jewelry, Herff needs to focus on innovation, partnerships, and pricing

	OVERVIEW	COMMENTARY
1) **Innovate product offering in non-ring jewelry**	• Expand product offering beyond traditional rings • Look to build partnerships with recognized designers	*"Students have an idea of what kind of fashion they're looking for. **It's about understanding the general trend and having a product mix that encompasses that**."* Manager of Sales Operations, Competitor #2
2) **Improve DTC website experience**	• Improve website functionality and offerings	*"**Companies aren't involved on the ground in the schools as much anymore**. They offer online tools where you can customize."* VP of Business Development, Competitor #1
3) **Partner with schools to drive sales**	• Build closer relationships with schools and become more involved in the selling process • Offer to support events that drive buy-rate such as ring parties	*"The reps are these companies' lifeblood. They have **long-standing relationships with the schools, which are extremely important**."* CEO, Competitor #2
4) **Ensure competitive pricing**	• Investigate potential to price more competitively	*"Customers are **looking for good prices and ways to offset their costs**."* Director of Product Development, Competitor #2

Source: industry participant interviews

Jostens offers a full suite of jewelry products; Herff has not yet expanded offering

1 Product innovation

	HERFF JONES		JOSTENS	
Traditional class rings	• Many styles; highly customizable		• Many styles; highly customizable	
Modern class rings	• Few styles; highly customizable		• Many styles; highly customizable	
Class necklaces	• None		• Part of partnership with designer Sarah Chloe • Customizable with charms	
Class tags	• None		• 6 types • Different charms, finishes, and styles available	
Class bracelets	• None		• Customizable with different charms, metals, and gemstones	
Class lockets	• None		• Wide variety of personalized charms available	

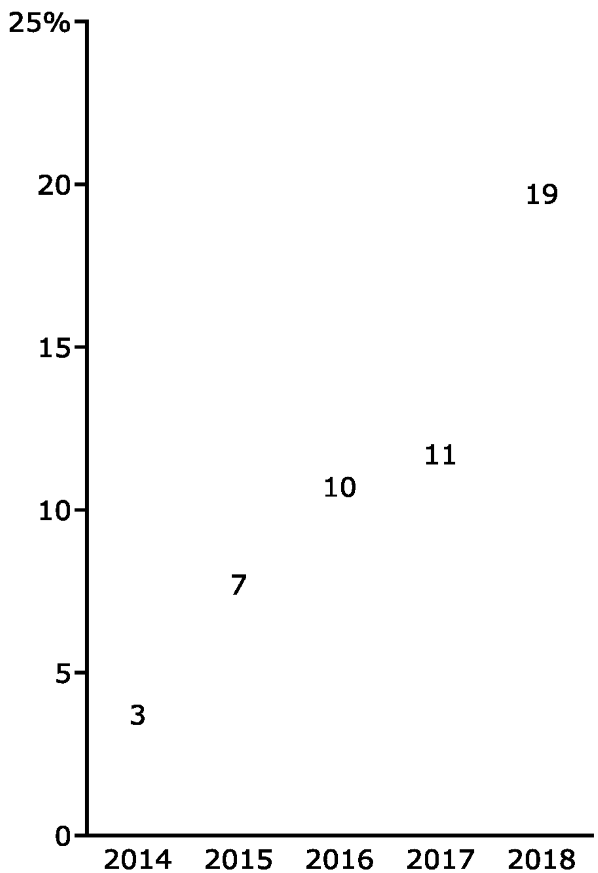
Source: Company websites

More customers are buying direct from websites; Herff has not invested in online experience

2 Online experience

CONSUMERS INCREASINGLY BUY CLASS JEWELRY THROUGH SUPPLIERS' WEBSITES…

% of HJ rings purchased through online channel



…BUT HERFF'S WEBSITE EXPERIENCE LAGS INDUSTRY LEADER JOSTENS

	Herff Jones	Jostens
Search and product display	**No search available**; users must manually click through different categories to see all options	
Product photos/ configurator	**Interactive 3D display** of ring changes as you select options, but **may not work in all browsers**	Ring image **not interactive** and must be **manually refreshed**
User interface	Jewelry is **easy to find**, but site requires several clicks to reach merchandise page; **very slow loading speeds**	
Mobile site	Ring customization site is exact same as desktop site and **not optimized for mobile use**	
App	Offers **ring design app** to virtually try on a ring, but **not all ring options included**	**No app available** for jewelry

Oppt. for improvement

Source: HJ internal data; company websites

Reps have multiple opportunities throughout the school year to influence buy rates

3 School partnerships

	Summer	Fall	Winter	Spring	Summer
Student buying process	Students return to school, fill out registration forms	Students consider purchasing class jewelry, discuss options with friends and parents, shop around and compare options/prices	Purchase through official school vendor: submit order through school org. (e.g., bookstore), sales rep, or through vendor's online portal Alternative: submit order through non-official vendor either online (e.g., Amazon) or at a jewelry store (e.g., Zales)	Pick up jewelry from school Jewelry typically mailed or picked up at retailer	
Parent buying process	Parents on campus for back to school night		Parents return to campus for events with students Parents help students with jewelry decision and purchasing process		

Ways for vendor to support sell-through						
Ensure forms are in **school office** Include jewelry **purchasing materials** in **registration forms**	Attend **back to school night** to connect with **parents**	Explain **product options**, **highlight value of jewelry**, at class meeting	Offer **live support** for online portal	Additional outreach at **athletic/ other school events**	Build team of student **"ambass-adors"** to **promote jewelry**	Support **parties/ ceremonies** for jewelry pick up **Involve under-classmen** to **generate excitement**

Pricing is an opportunity for Herff in class jewelry

4 Competitive pricing

HERFF IS PRICED HIGHER FOR SIMILAR PRODUCT (SELECT EXAMPLES)

		Ring style	HJ price	Jostens price
Non-precious		Non-precious metal alloy, Alexandrite stone, sunburst effect	**$370**	$267
Non-precious		Non-precious metal alloy, Ruby stone, imperial cut	**$412**	$277
Silver alloy		Silver alloy, Blue Spinel stone, galaxy cut	**$480**	$410
Silver alloy		Silver alloy, Aquamarine stone, no effects	**$590**	$520
Silver alloy		Silver alloy, Garnet stone, smooth cut	**$525**	$520
Gold		Gold-toned alloy, Peridot stone, sunburst effect	**$425**	$357
Gold		10K yellow gold, Golden Sapphire stone, imperial cut	$725	**$820**
Gold		10K Yellow gold, Garnet stone, sunburst effect	**$689**	$650
Gold		10k white gold, Ultralite stone, no effects	$430	**$630**
Gold		18k yellow gold, Alexandrite stone, sunburst effect	$960	**$1010**

Other jewelry at Jostens starts at $325 on average, with fewer customization options

Higher price

HIGH PRICE POINTS HAVE MANY IMPACTS

- Price is the **top reason schools switch class jewelry vendors**
  - Though switching is uncommon, high prices may impact vendor selection
- High prices may result in **lower penetration at schools** given student price sensitivity
- **Non-ring class jewelry is typically offered at a lower entry price point** (e.g., Jostens starts at $325 for non-ring jewelry), making Herff ring prices look more stark

Source: Company websites

Herff Jones strategic priorities (yearbooks and jewelry)

Overarching goal: ***boost buy rates and share for key achievement products***

WHAT	NEW SCHOOLS	EXISTING SCHOOLS	
	Gain share by penetrating new schools	Improve yearbook sell-through	Increase class jewelry buy rates

SELLING EFFECTIVENESS

Build the right relationships
Focus on developing relationships with key school decision makers

Partner at key points in the cycle
Identify opportunities for reps to get involved at multiple points throughout the year

DIGITAL

Make improvements in yearbook software
Ensure yearbook software meets customer needs and helps create a better book

Ensure compelling DTC experience for rings
Improve website experience and ring designer

ASSORTMENT

Develop and introduce new class jewelry products
Form design partnerships and conduct R&D in class jewelry design

PRICE

Improve the price/value prop for Achievement products
Ensure competitive pricing for both yearbooks and class rings

MARKETING

Focus on marketing key products to consumers
Highlight key differentiators like software and new product offerings

Appendix

- BSN

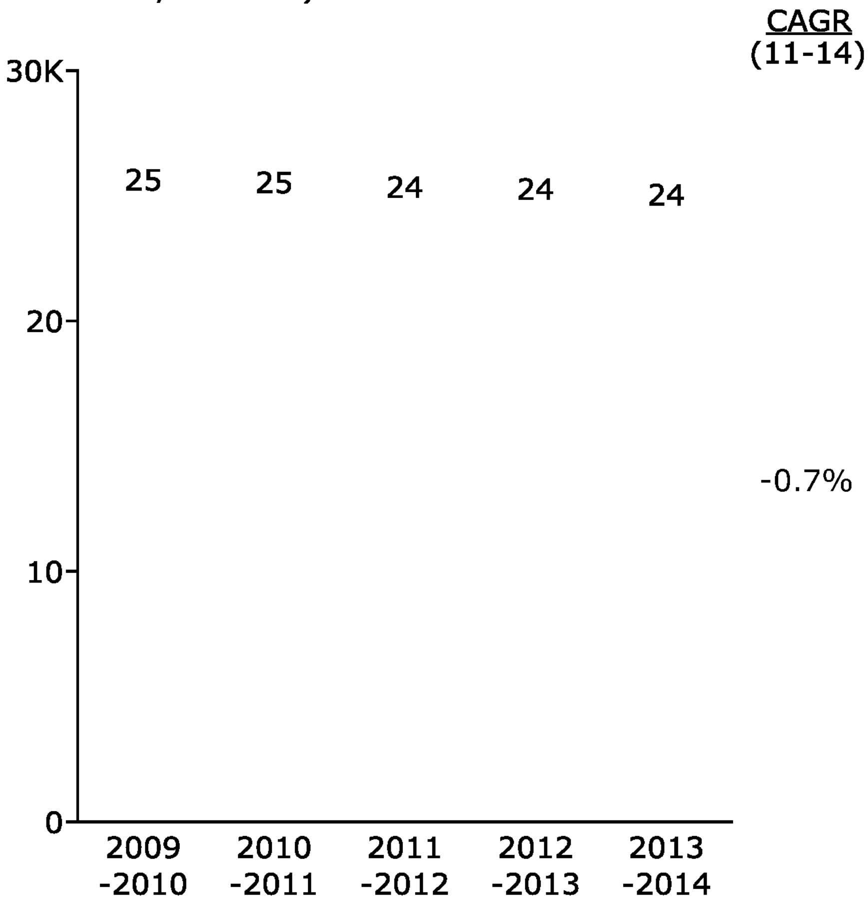
- Spirit

- Herff Jones

High school enrollment has been flat in last several years; total number of schools down slightly

NUMBER OF HIGH SCHOOLS IS SLIGHTLY DECLINING

Number of secondary public schools
(2009 - 2014, actuals*)



BUT OVERALL ENROLLMENT HAS BEEN STABLE SINCE 2013

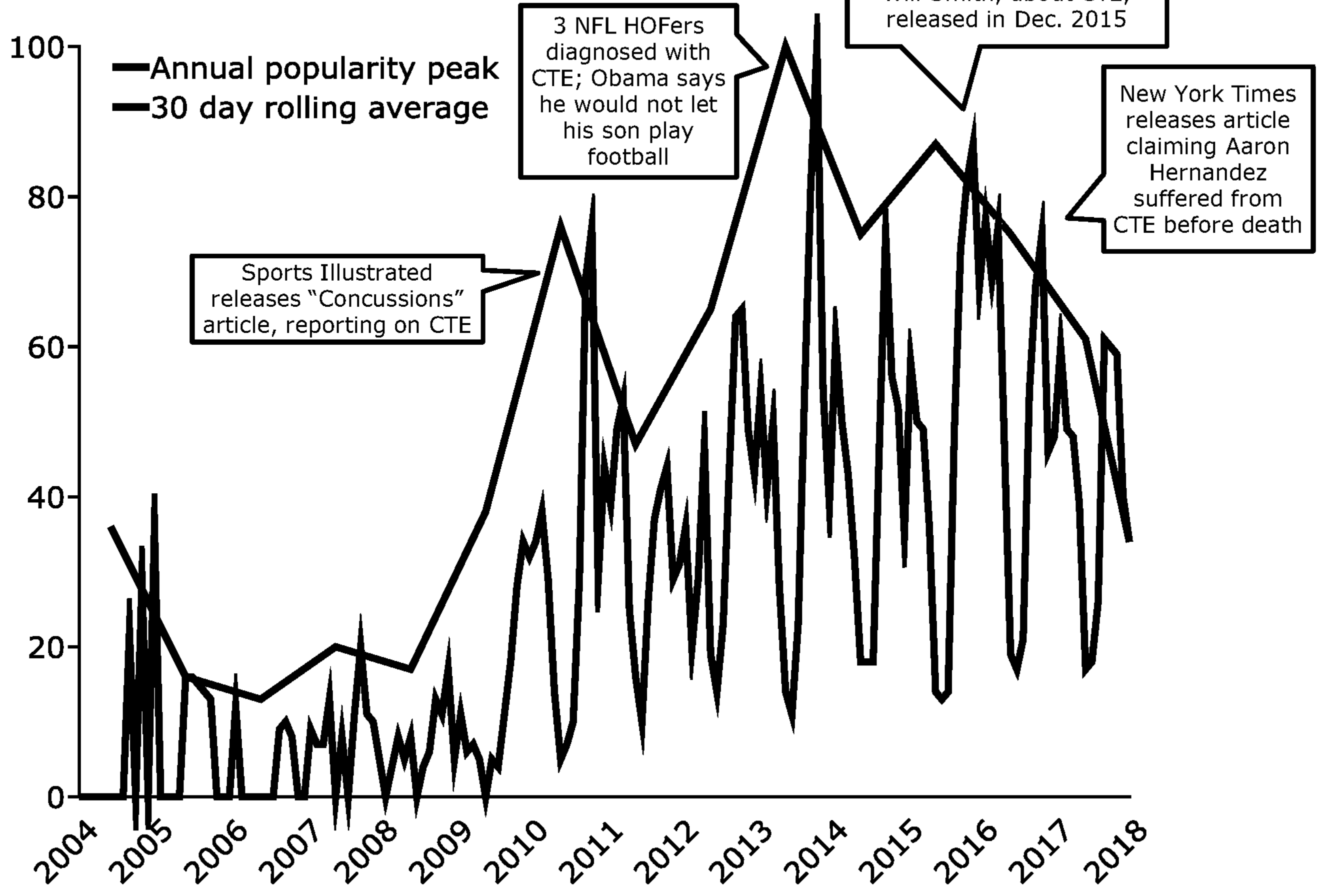
High school enrollment
(2012 - 2016, actuals)

Note: NCES last published high school data in 2016 for the 2014 school year – latest available
Source: Census Bureau; *National Center for Education Statistics

Public awareness of football safety has steadily risen over the years

OVERALL INTEREST IN SAFETY CONTINUES TO CLIMB, THOUGH INTEREST IN "PEAK" EVENTS HAS WANED

Relative popularity of "concussions in football" Google searches* (2004-2018)



Note: *A score of 100 indicates the most popular the term was over the timeframe
Source: GoogleTrends analytics; lit search

COMMENTARY

"The N.F.L.'s top health and safety official has acknowledged a link between football and C.T.E., and the ***league has begun to steer children away from playing the sport in its regular form****, encouraging safer tackling methods and promoting flag football."*

New York Times, July 2017

"News stories about former NFL players diagnosed with chronic traumatic encephalopathy, the degenerative brain disease better known as CTE, ***have parents rethinking their children's participation****."*

Chicago Tribune, Sept. 2017

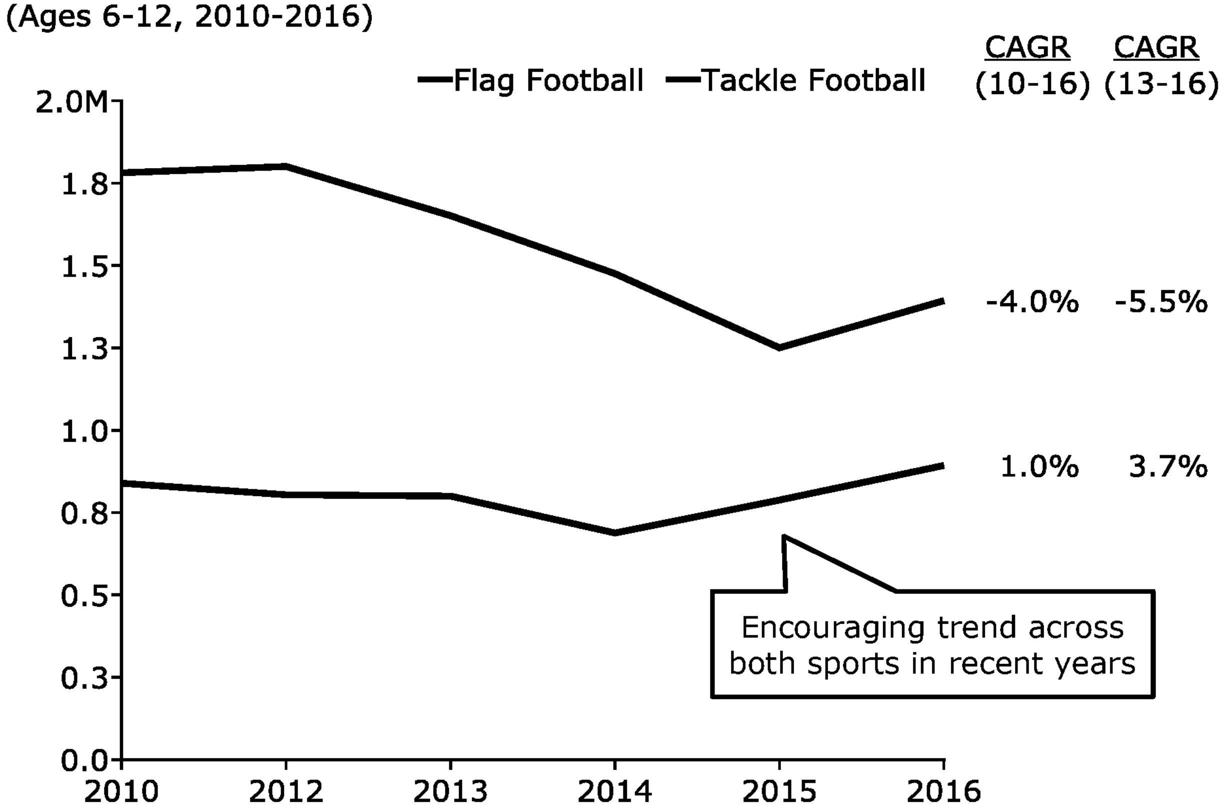
"CTE was found in the brains of ***3 of 14 high school players (21 percent)****, and 48 of 53 college players (91 percent)."*

The Huffington Post, August 2017

Flag football is increasingly seen as a safer alternative for youth and preparation for the contact game in HS

YOUTH FLAG FOOTBALL HAS GROWN AT ~4% SINCE 2014, OFFSETTING TACKLE DECLINE

Number of youth football participants
(Ages 6-12, 2010-2016)



FLAG FOOTBALL SEEN AS A SAFE TRAINING GROUND

"Our total football numbers are actually increasing. We have a recreational flag football team that's offered in 8th and 9th grade, and we've actually been able to ***move kids from the flag to the tackle league.****"*

Coach, High School #10

"ESPN's 'Outside the Lines' reported in 2013 that Pop Warner participation dropped significantly between 2010 and 2012… not only has ***that dip started to reverse itself****, but it's done so through a* ***different, safer iteration of the game.****"*

Huffington Post, Jan. 2017

"In [tackle football's] place, ***flag football has grown as a viable alternative****, if not replacement, before high school."*

Tampa Bay Times, Jan. 2018

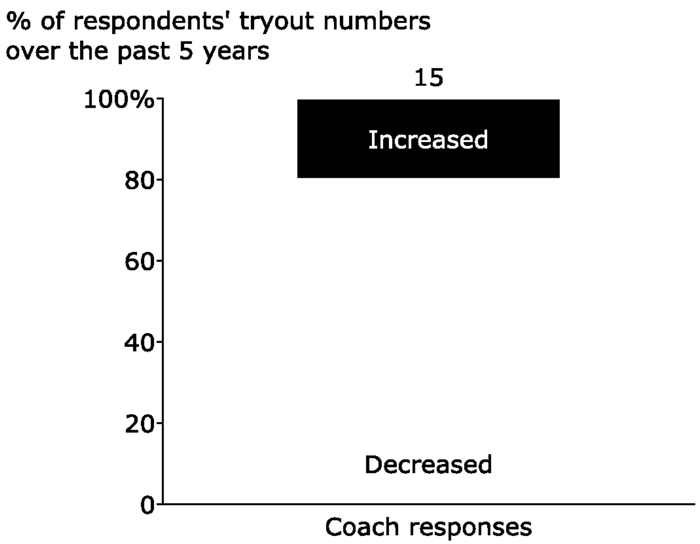
"The ***league has begun to steer children away from playing the sport in its regular form****, encouraging safer tackling methods and promoting flag football."*

New York Times, July 2017

Note: Tackle football numbers taken from NSGA report
Source: Project Play: State of Play 2017; NSGA Historical Participation 2017; Industry participant interviews

High school tryout attendance is stable and flag football growth suggests continued interest

COACHES REPORT TRYOUT NUMBERS HAVE REMAINED RELATIVELY CONSTANT



*"Our **tryouts have always been the same**, about 60-65 that come out and 55 travel with the team."*

Coach, High School #23

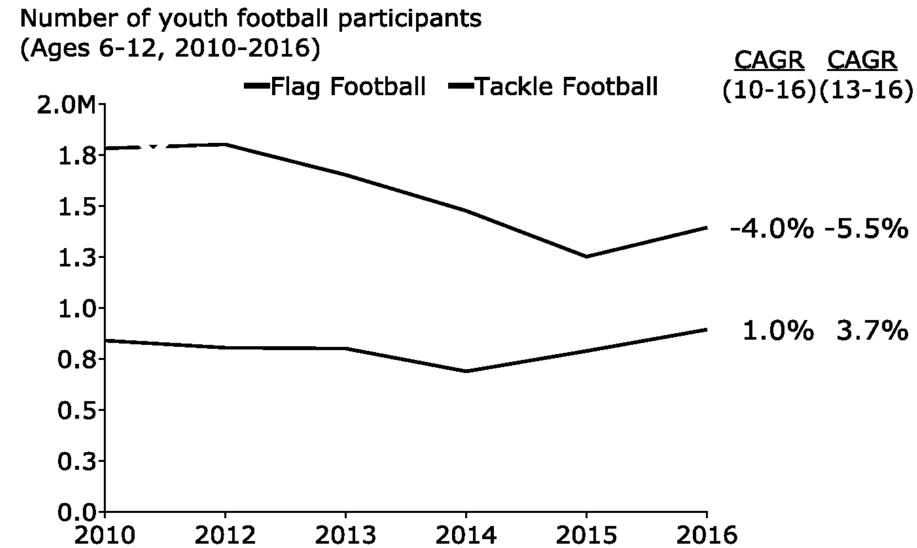
*"I **haven't noticed or heard about less numbers** coming out for football."*

Athletic Coordinator, High School #26

*"I **personally haven't noticed a decline** in football."*

Coach, High School #4

FLAG FOOTBALL GROWTH SHOWS STRONG INTEREST IN FOOTBALL



*"I've actually seen numbers increasing in football. We just started offering a **recreational flag football league** and we're having more people **move from flag to tackle**."*

Coach, High School #11

*"If I had to bet, I'd say football stays about the same at the high school level. I **don't see us switching to flag football**."*

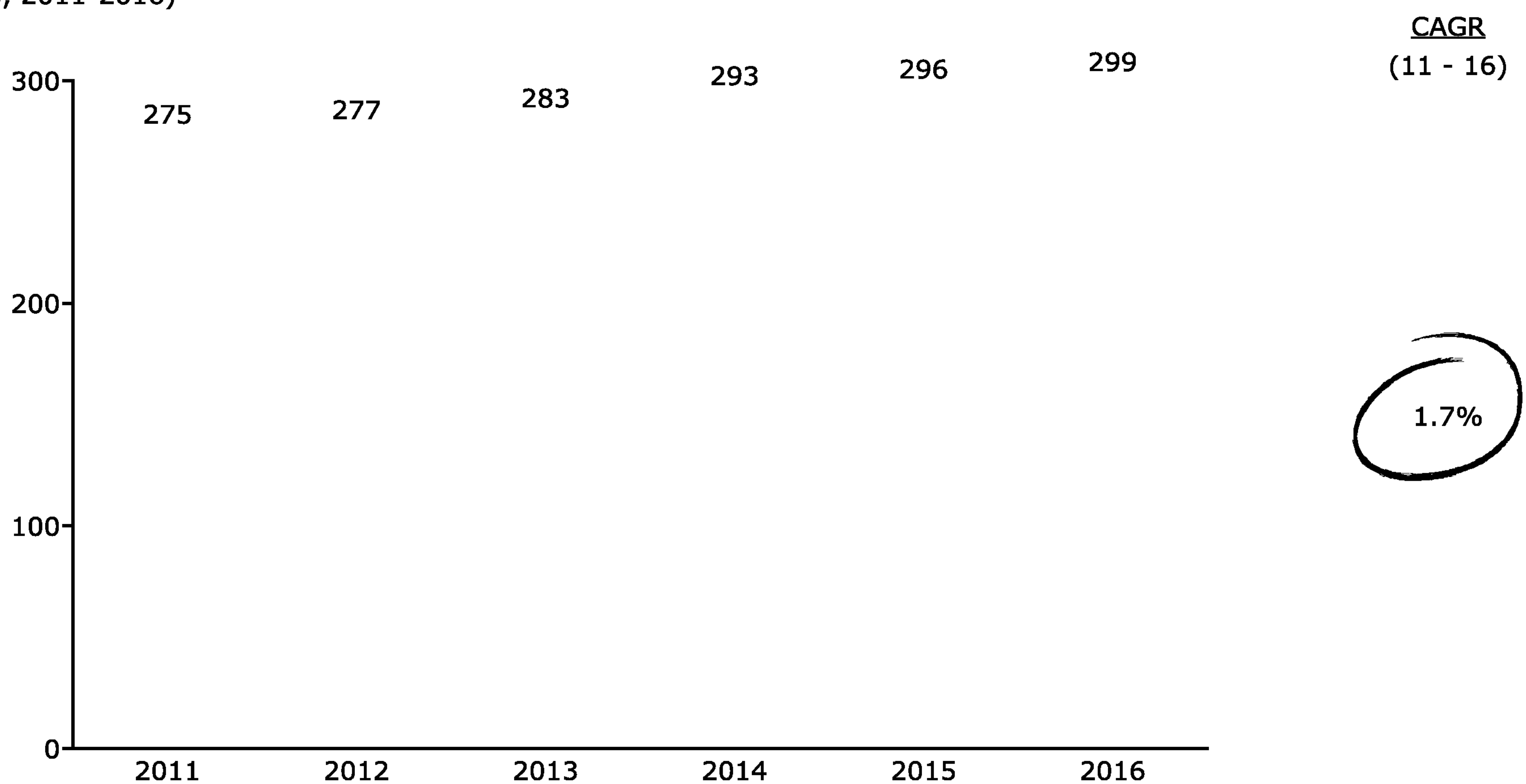
Athletic Director, School System #1

Source: Project Play: State of Play 2017; NSGA Historical Participation 2017; Industry participant interviews

Overall spend per athlete is growing at ~1-2%

PRELIMINARY

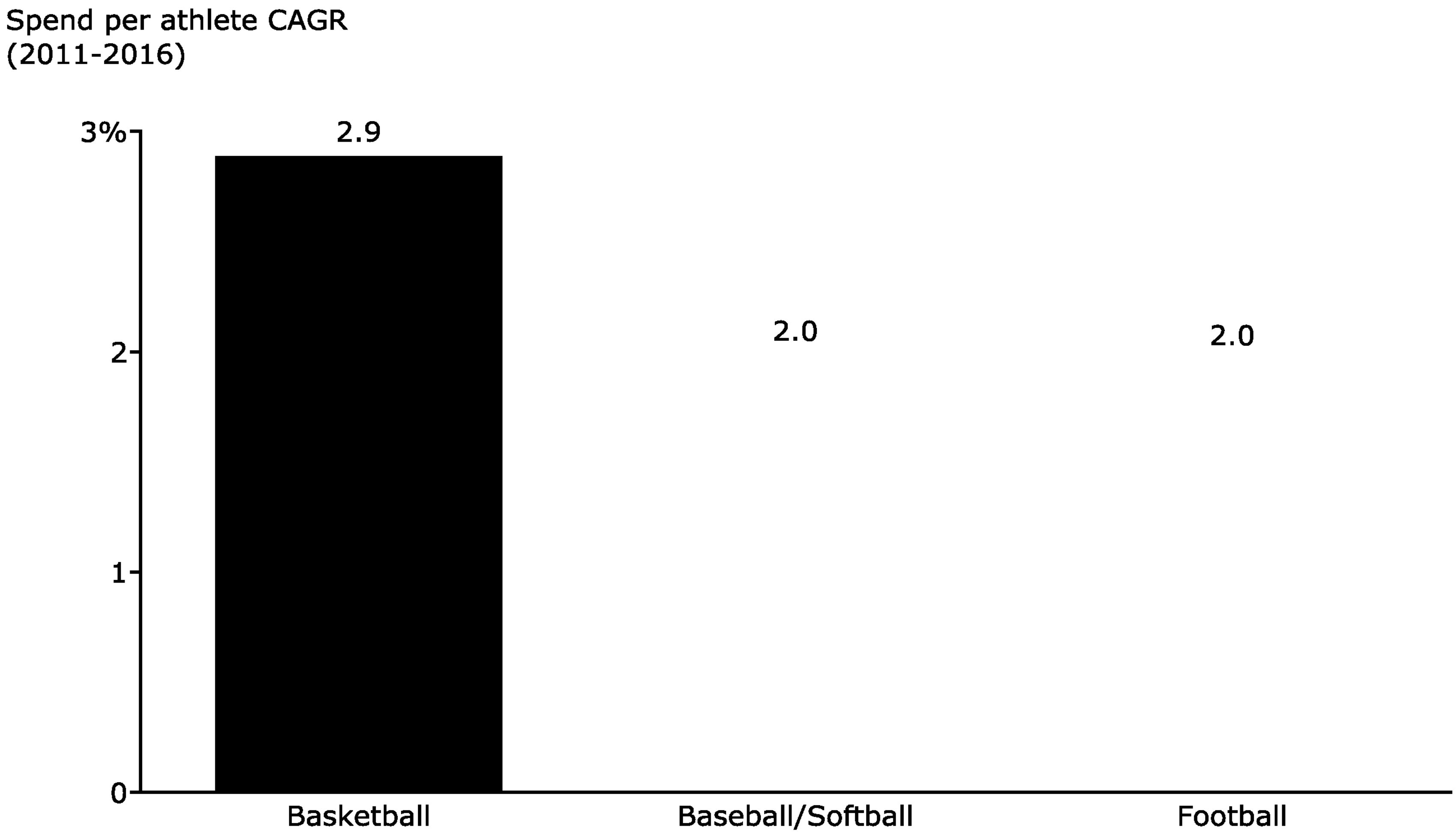
US sporting goods spend / athlete
($, 2011-2016)



Source: SFIA Manufacturing Manufacturers' Sales by Category Report (2017); NSGA Historical Participation 2017

Tier 1 sports spend growth is ~2-3%

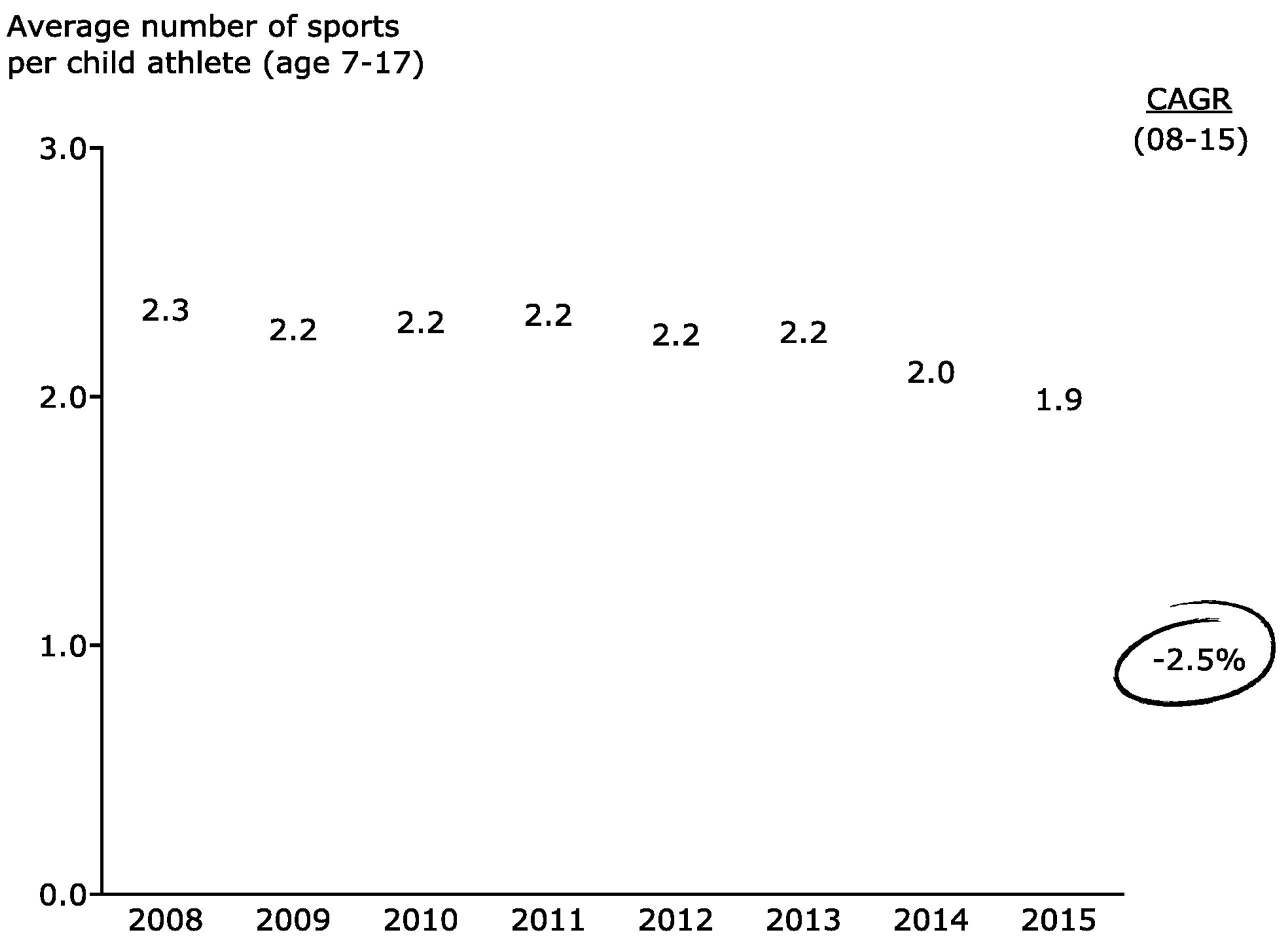
DIRECTIONAL



Source: NSGA Historical Sporting Goods Report (2017); NFHS Sports Participation Survey 2006-2017; NSGA Historical Participation 2017; SFIA Manufacturers' Sales by Category Report (2017);

Specialization is occurring in team sports

THE AVERAGE NUMBER OF SPORTS PER YOUTH ATHLETE HAS DECLINED OVER THE LAST SEVERAL YEARS



COMMENTARY

"Some of it is around an increased emphasis on ***specializing at a younger age****."*

Coach, High School #7

"At our school, ***part of the decline in football is specialization*** *for hockey and lacrosse.* ***They aren't doing other sports****, they're just* ***working out and playing club****."*

Coach, High School #11

"As many as a ***quarter of clubs around the country*** *are pushing kids into specializing in soccer."*

US Youth Soccer Director of Coaching

"It is ***less common*** *now to have a multisport athlete in middle or high school, because* ***the norm has become for young athletes to specialize*** *at younger ages. There is* ***increased pressure to participate at a high level,*** *to specialize in one sport early, and to play year-round, often on multiple teams."*

Council on Sports Medicine & Fitness

Source: American Academy of Pediatrics; American Academy of Orthopaedic Surgeons Survey (2017, n=1,359); US Youth Soccer; Aspen Institute; SFIA

Schools usually pay for uniforms and some equipment in high school sports; players/parents pay the rest

	Description	Typical purchaser	Primary funding source	COMMENTARY
Uniforms	• Official game jerseys / uniforms	**School**	Budget	*"In general, **schools usually pay for the uniforms**."* EVP, Provider #2
Apparel	• Discretionary soft goods, such as sweatshirts or t-shirts	**Player**	Player	*"Students pay for **their own sweatshirts and gear**."* AD, High School #8
Footwear	• All game and practice footwear	**Player**	Player	*"**I don't buy shoes;** I don't buy warm-ups."* AD, High School #2
Player equipment (football)	• Football pads and helmets	**School**	Budget / Fundraising	*"Every year, we get the **helmets reconditioned, replace pads**."* Coach, High School #14
Player equipment (non-football)	• Other game equipment, such as shinguards and sticks	**School / Player**	Budget / Fundraising / Player	*"Now for lacrosse, they're **buying their own sticks, gear and pads**."* Coach, High School #11
Team equipment	• Practice and game equipment, such as balls, cones, & nets	**School**	Budget / Fundraising	*"The same thing goes for equipment… we **purchase our own balls**."* Coach, High School #3
Trans., fees, security	• Bus fees, coaching stipend, other fees	**School**	Budget	*"**Central coaches fees are covered** by the budget from the district."* AD, High School #16

Schools purchase   Players purchase

Source: Industry participant interviews

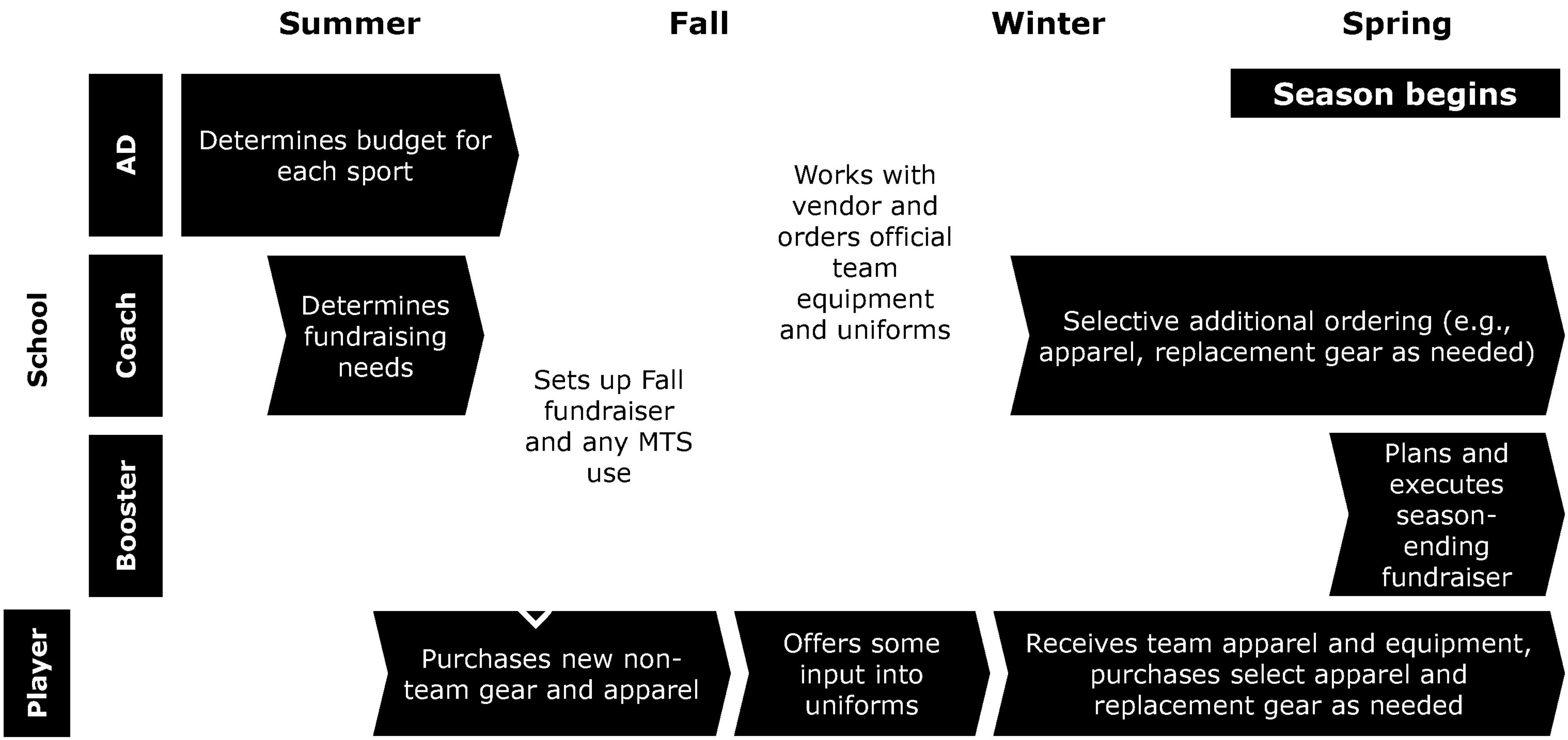
There are three archetypes for purchaser decision-making in high school team sports

	ATHLETIC DIRECTOR ("AD") DECIDES	HYBRID	COACHES DECIDE
Description	• The AD actively makes decisions for all team purchasing • AD works with reps directly to design and order uniforms	• Athletic director and coaches often work together on all purchasing • Tradeoffs in influence depending on strength of program / reputation of coach	• Individual coaches make all decisions for team purchasing, sometimes within AD guardrails • Coach works with reps directly to design and order uniforms
Sets budget & approves purchase		Athletic director	
Inputs to purchase *(order of influence)*	• Athletic director • Coaches • Booster clubs • Players	• Coaches • Athletic director • Players • Booster clubs	• Coaches • Players • Booster clubs • Athletic director
Key decision-maker	**Athletic director**	**Sometimes coach, sometimes AD**	**Coach**
Sales rep primary focus	**Athletic director**	**Likely coach**	**Coach**

Source: Industry participant interviews

ADs and coaches often start working with vendor reps long before the season begins

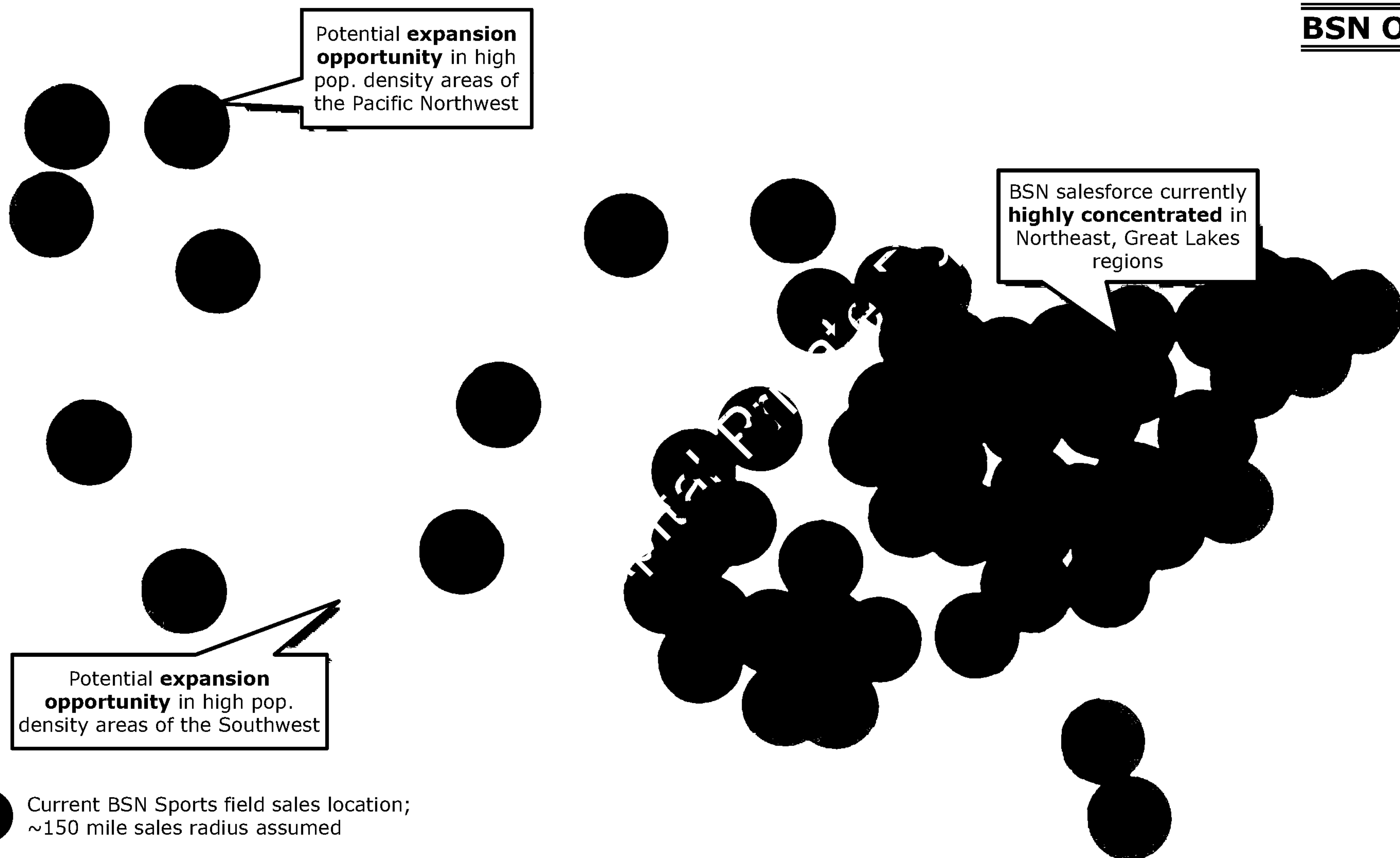
EXAMPLE: HYBRID MODEL FOR SPRING SPORT



Source: Industry participant interviews

BSN's broad sales rep footprint allows access to target accounts

BSN ONLY



Current BSN Sports field sales location; ~150 mile sales radius assumed

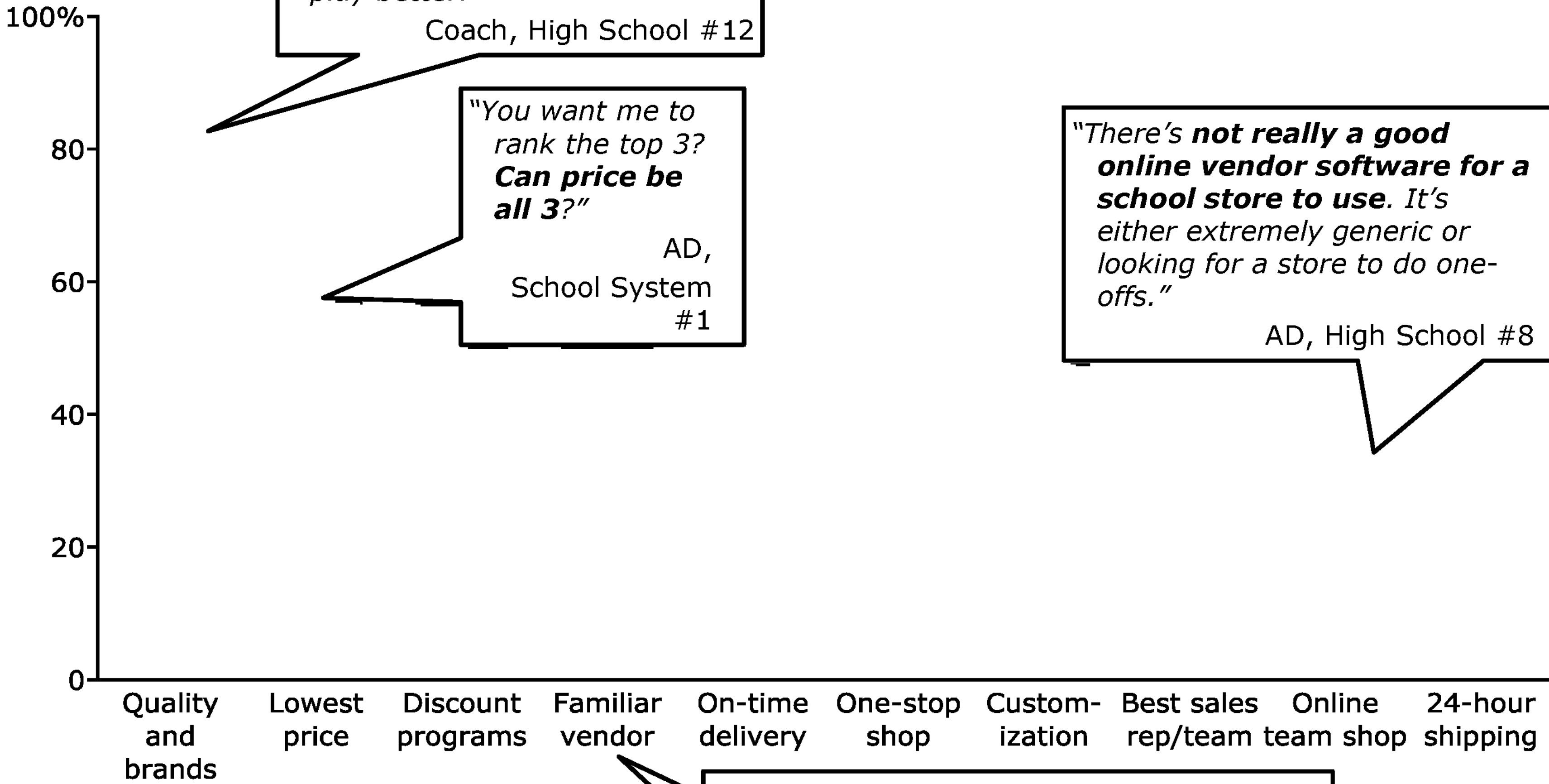
2018 Population

8K 10M

Source: BSN Sports Website (Field Sales Locations file)

Coaches say their key decision-making criteria are quality, price and vendor relationship

Key purchase criteria ranked by relative importance



"***Brand is probably the biggest thing for me*** *as a coach. If the kids wear Nike, it's like a placebo… they feel good and play better.*"
Coach, High School #12

"*You want me to rank the top 3?* ***Can price be all 3****?*"
AD, School System #1

"*There's* ***not really a good online vendor software for a school store to use****. It's either extremely generic or looking for a store to do one-offs.*"
AD, High School #8

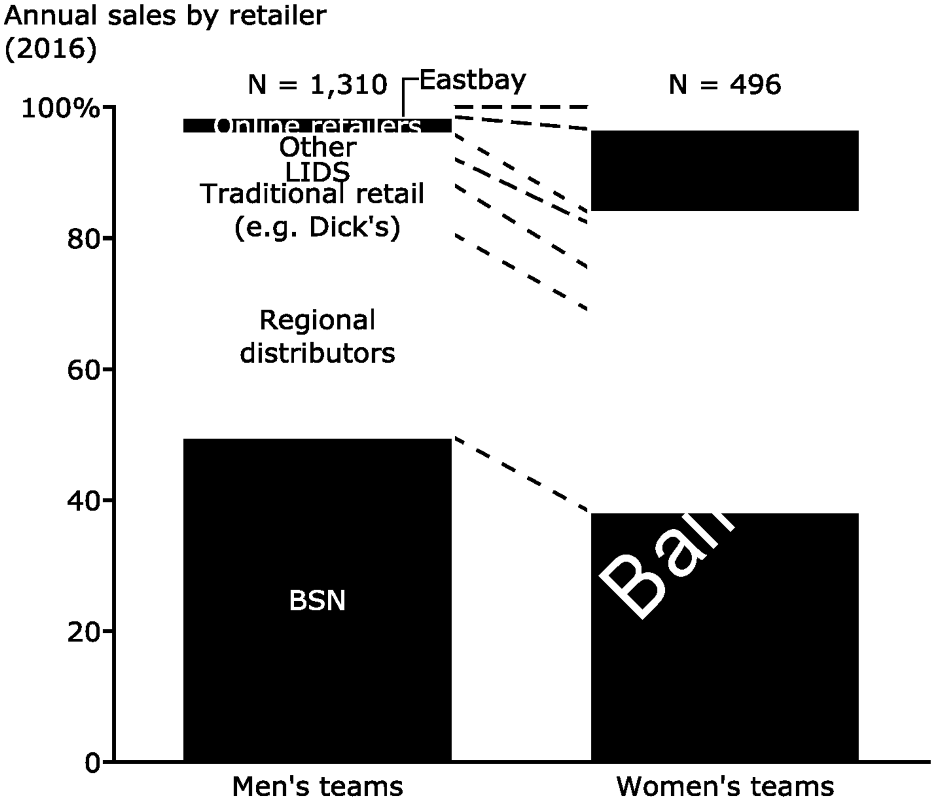
"*We're in a* ***small town so relationship is key****. We latched onto one guy because he was just so good.*"
Coach, High School #15

Source: Bain BSN customer survey (N = 1431)

Women's teams purchase through a different channel mix than men's teams, especially for certain sports

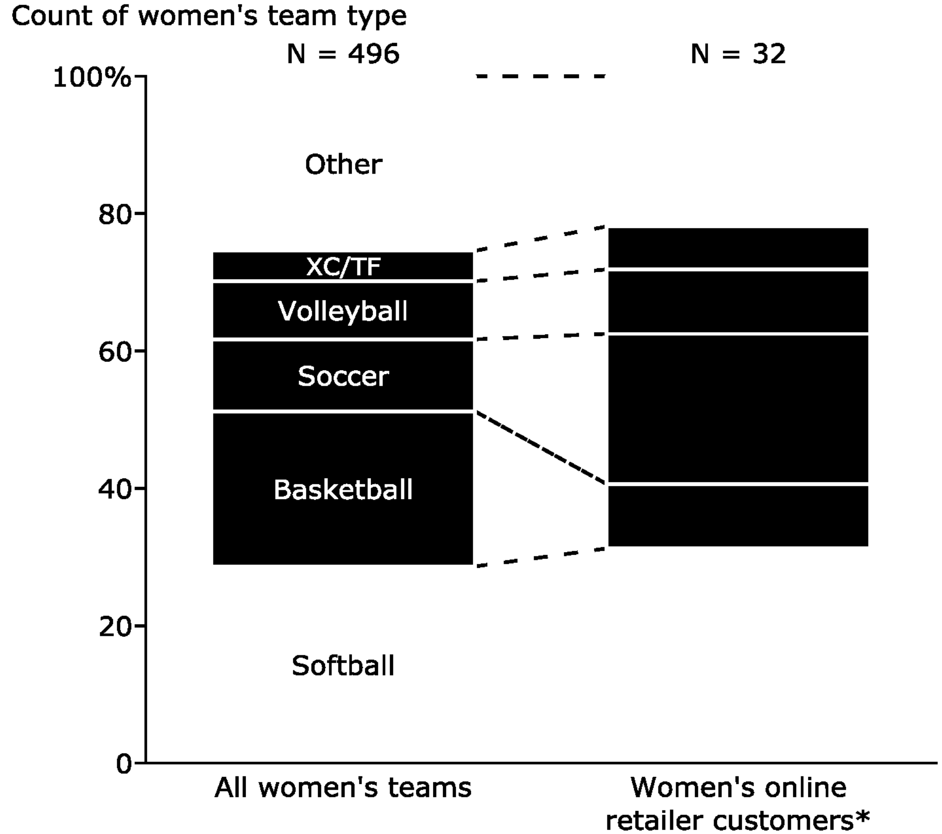
WOMEN'S TEAMS SPEND LESS WITH BSN, MORE WITH ONLINE RETAILERS

Please estimate how much your organization spent in the last 12 months on sports apparel, team uniforms, equipment, etc. What percentage of your total spend did each of the following vendors that you currently use receive?



WOMEN'S SOCCER, SOFTBALL TEAMS ARE MORE LIKELY TO USE ONLINE RETAILERS

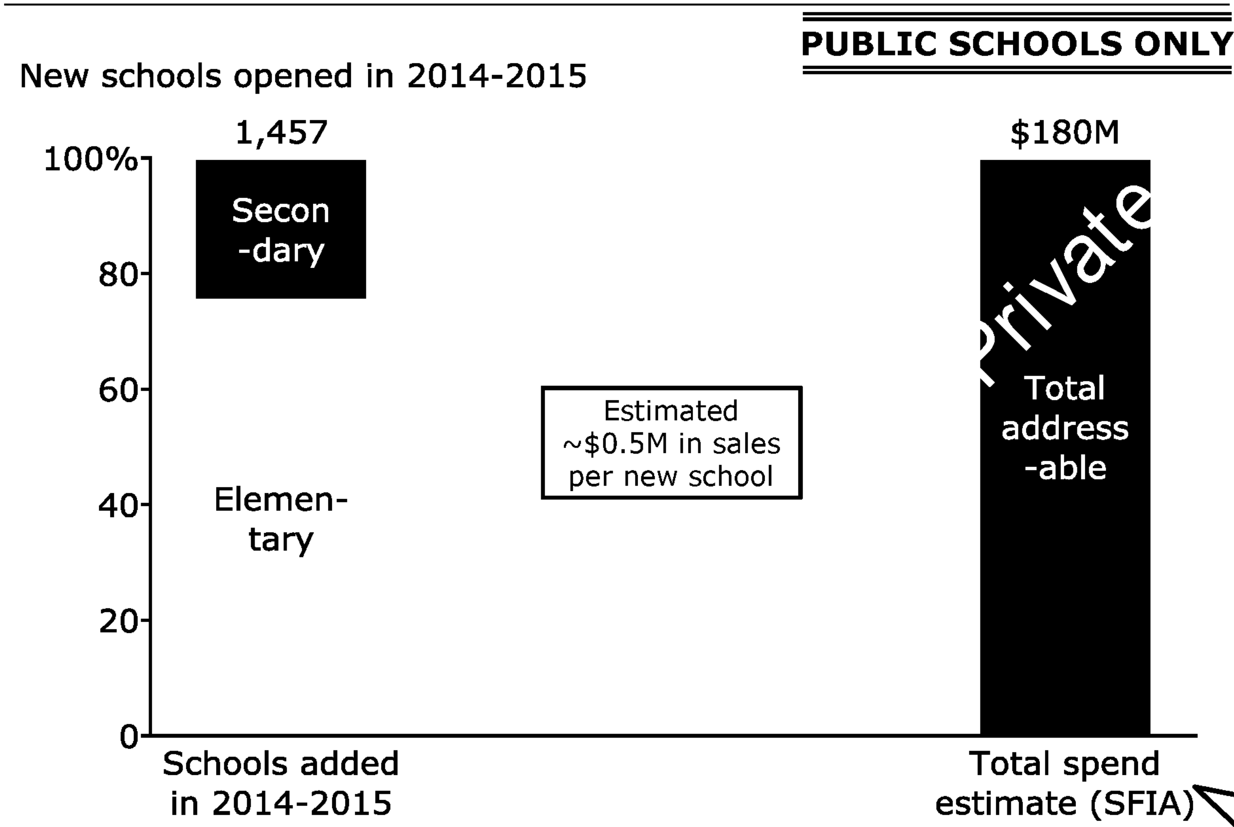
Please select the sport where you are most involved in the decision making process.



Note: Women's team responses identified as those given by coaches self-identified as purchasing decision-makers for sports including the following terms: "Women's", "Girl's", "Cheer", "Dance", "Gymnastics", "Softball", or "Volleyball"; *Only women's teams with a substantial (20%+) share of spend through e-retailers shown; XC/TF used to abbreviate cross country and track and field
Source: 2016 BSN customer survey (N = 1806)

There is an opportunity to provide full suite of equipment to new school construction (~$30M)

LIKELY 300-400 NEW PUBLIC HIGH SCHOOLS OPEN EACH YEAR…



*15% share implies **~$30M opportunity** for BSN*

BSN CAN FURTHER TRAIN SALESFORCE ON NEW SCHOOL OPPORTUNITY

- Include **cross-selling** and "**facility walks**" as part of sales staff training
  - Position BSN as a "**one-stop shop**" for all youth sports needs
  - Encourage customer relationships with greater **breadth** and **depth**
- Consider developing **bundled pricing** or other product and/or service offerings to **encourage "full-suite" purchases**
- Invest in **facility product offerings** (e.g., bleachers, tables)

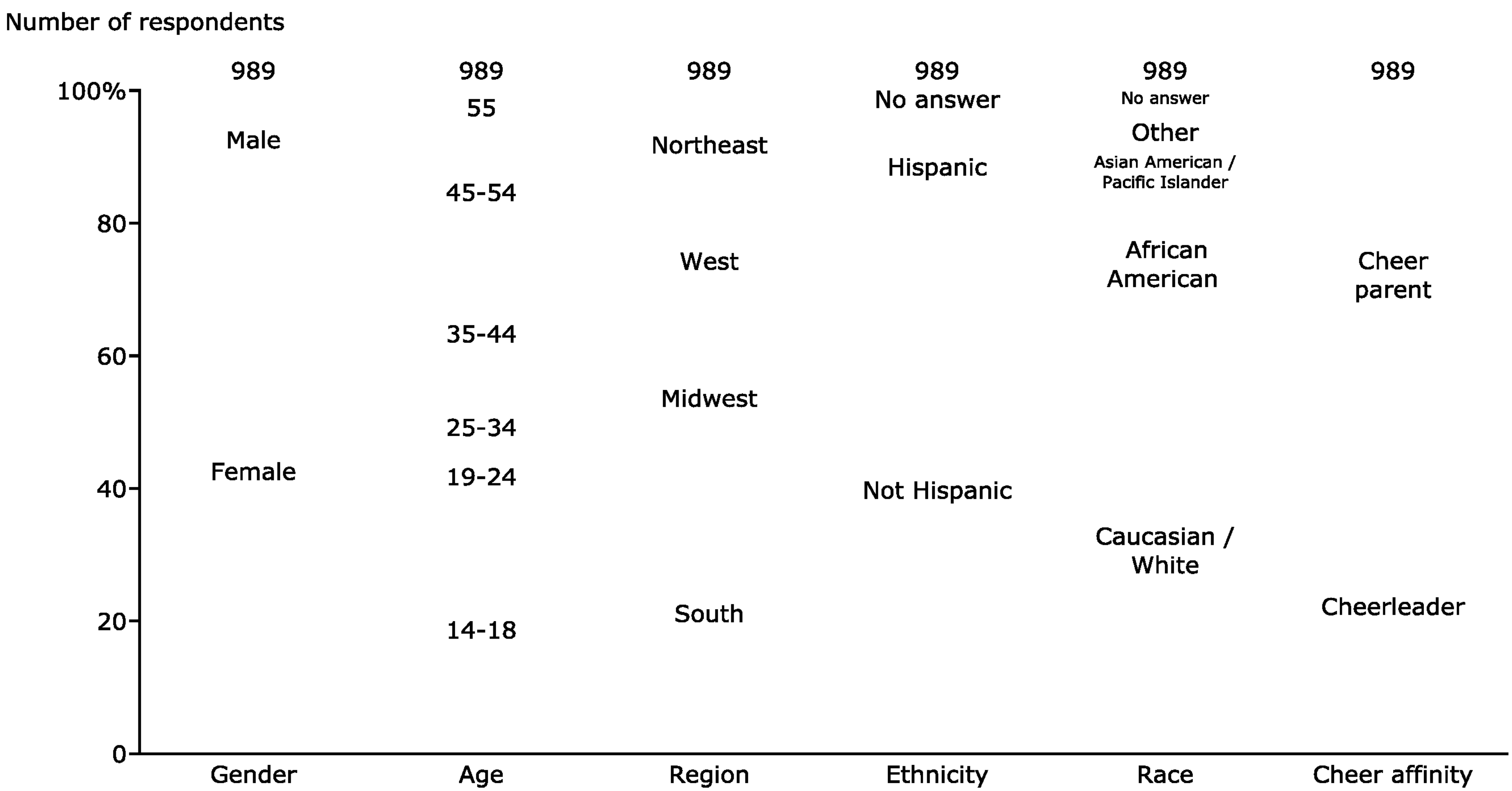
Additional opportunity not included here in **school remodeling** (estimated to be ~50% of annual school construction spend)

Note: Estimated % of secondary new schools from existing split of elementary and secondary schools
Source: NCES Fast Facts; NCES First Look: Selected Statistics from the Public Elementary and Secondary School Universe School Year 2014-2015; Company data

Appendix

- BSN
- Spirit
- Herff Jones

Cheer consumer survey demographics (N=989)



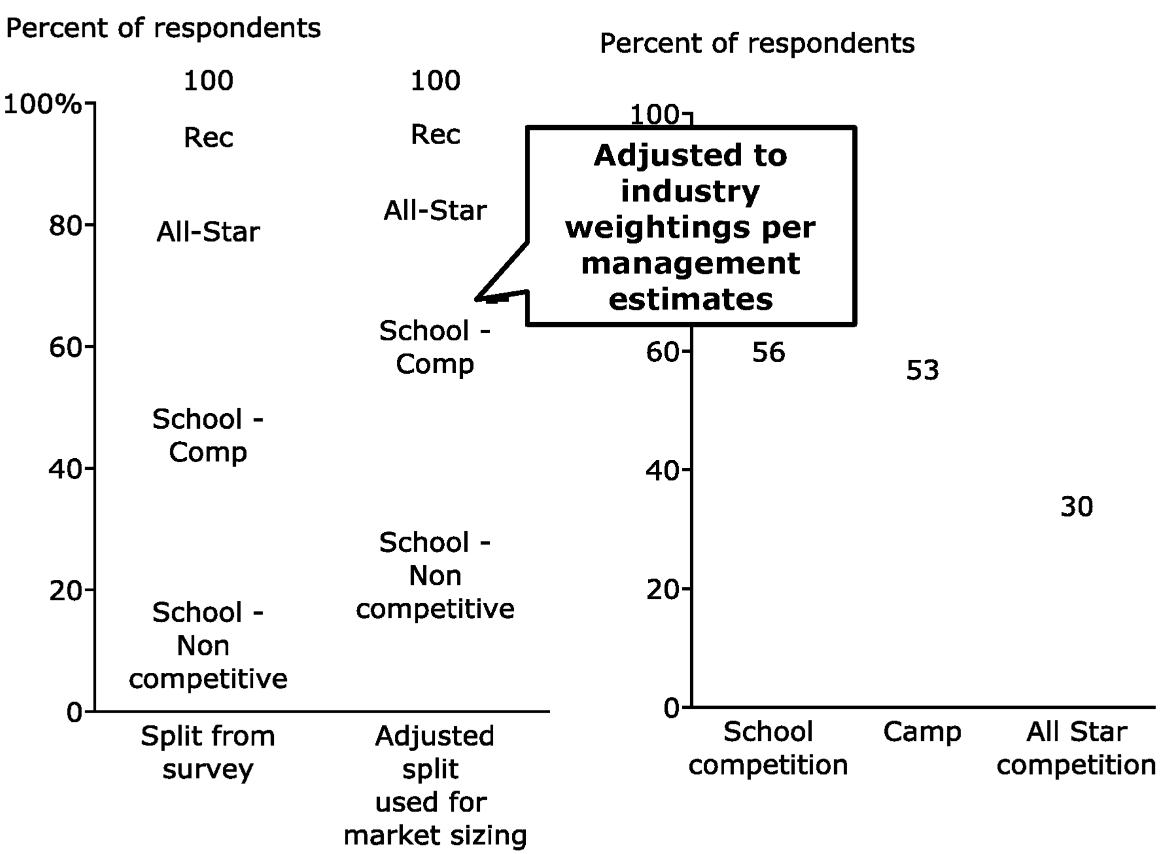
Note: African American segment includes those who identify as Black / Caribbean American as well
Source: Bain Cheer Consumer Survey (N=989)

Cheer consumer survey segments

RESPONDENTS BY TYPE OF CHEERLEADER AND EVENT ATTENDANCE

Where did you participate in cheerleading in the last year?

Which of the following cheerleading evens did you participate in during the last year?



SEGMENT DEFINITIONS

All Star

- Identified as participating in All Star cheerleading
- Attended at least one All Star competition in the past year

School - Casual

- Identified as participating in cheerleading at school
- Did not attend any competitions in the past year

School – Competitive

- Identified as participating in cheerleading at school
- Attended at least one competition in the past year

Note: Cheerleaders tagged as “both” here were treated as All Star cheerleaders
Source: Bain Cheer Consumer Survey (N=989)

Cheerleading teams participate in a variety of events

PRELIMINARY

SIDELINE

Description

- Also called "spirit cheer"
- Fall sport in most high schools, typically tied to football and basketball season
- Season may partially overlap with competitive cheer season

CAMP

- Wide variety of levels and age groups aimed at learning new skills in prep for upcoming season, may be linked to competitions
- Competitions may require school teams to attend a Varsity camp to be credentialed
- Generally over the summer

COMPETITIONS

- Various divisions including:
  - Age divisions
  - School vs. Out of school teams
  - Skill level
- Generally in the winter and spring

Who participates?

	SIDELINE	CAMP	COMPETITIONS
In-school: non-comp.	✓	✓	
In-school: Comp.	✓	✓	✓
All-star		✓	✓

Source: Lit search; Bain Cheer Consumer Survey (N=961)

Cheerleading continues to get public and media attention, driving awareness

INTEREST IN CHEERLEADING AS A SPORT CONTINUES TO RISE

"***Every year there is more interest in the sport***. *The exposure on TV has really helped to drive this, but its also because there are more diverse competition formats that are attracting more athletes to the sport."*

SVP #1, Cheer Brand #1

"***Cheerleading is getting more popular every year***. *Kids see it on TV. They see they get to travel and compete with other kids from around the country. They love the idea and want to be a part of it."*

All Star Cheer Coach #3

"***People finally realize it's an athletic endeavor***, *as opposed to standing on the sidelines with pom-poms. They realize it's cool and takes talent and they want to be a part of it."*

All Star Cheer Coach #1

WIDE ARRAY OF CHEERLEADING CHAMPIONSHIPS SHOWN ON TELEVISION

Selected Event	Network	Air Date
UCA All Star Cheer Championship	CBS Sports	May 2017
NCA Collegiate Cheer Championship	CBS Sports	May 2017
NCA/NDA Collegiate Cheer & Dance Championship	CBS Sports	May 2017
International Cheerleading Union Championship	CBS Sports	May 2017
NCA All Star Nationals	CBS Sports	May 2017
NCA/NDA Collegiate Cheer & Dance Championship	CBS Sports	May 2017
Cheerleading Worlds	CBS Sports	May-June 2017
UCA All Star Cheer Championship	CBS Sports	June 2017
UCA College Cheerleading Championship	ESPNU	March-May 2017
UDA College Dance Team Championship	ESPNU	March-May 2017
UDA National Dance Team Championship	ESPNU	March-May 2017
UCA National High School Cheerleading Championship	ESPNU	March-May 2017

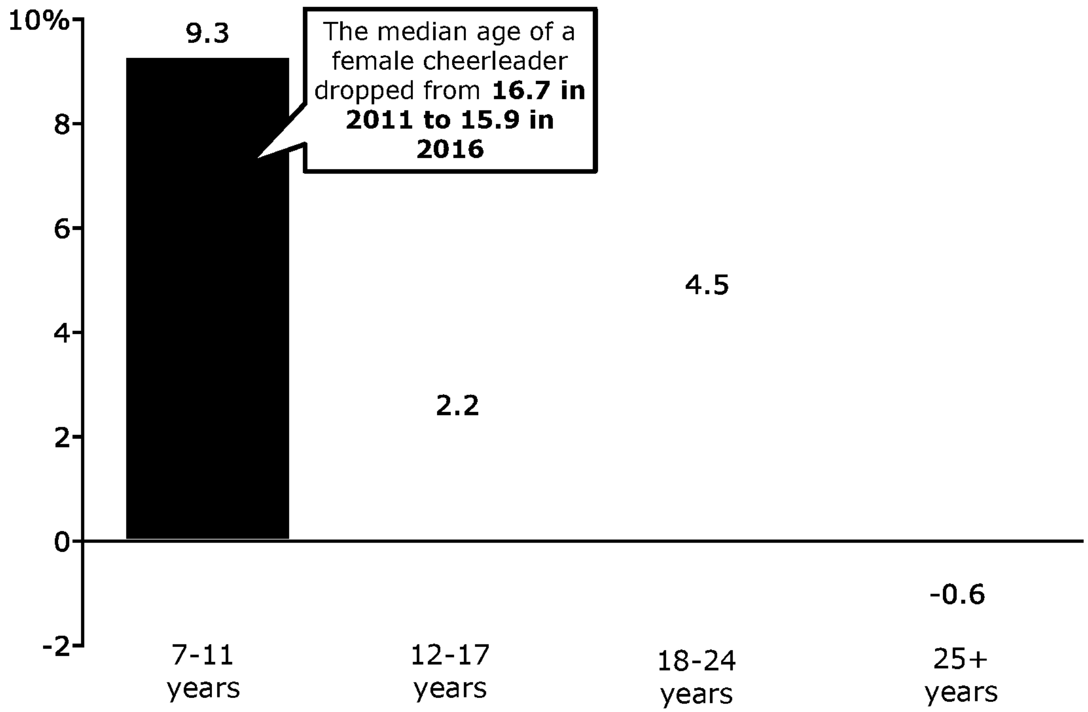
Source: Lit search; Industry participant interviews

Long-term participation growth promising as younger cohort growing quickly

PRELIMINARY

7-11 YEAR OLD CHEERLEADERS HAVE SIGNIFICANTLY OUTPACED OLDER ATHLETES

CAGR ('11-'16) of cheer participation



% of cheer participants (2016)	34%	35%	13%	18%

Source: NSGA

COACHES SAY CHEERLEADERS ARE STARTING YOUNGER

*"**We're seeing a lot of children get into the sport at an earlier age**. Parents are learning more about the sport and realize to be great at it you need to start young. We were at a competition this year that had a 'micro-tiny' division with 18-month-olds competing."*

All Star Cheer Coach #2

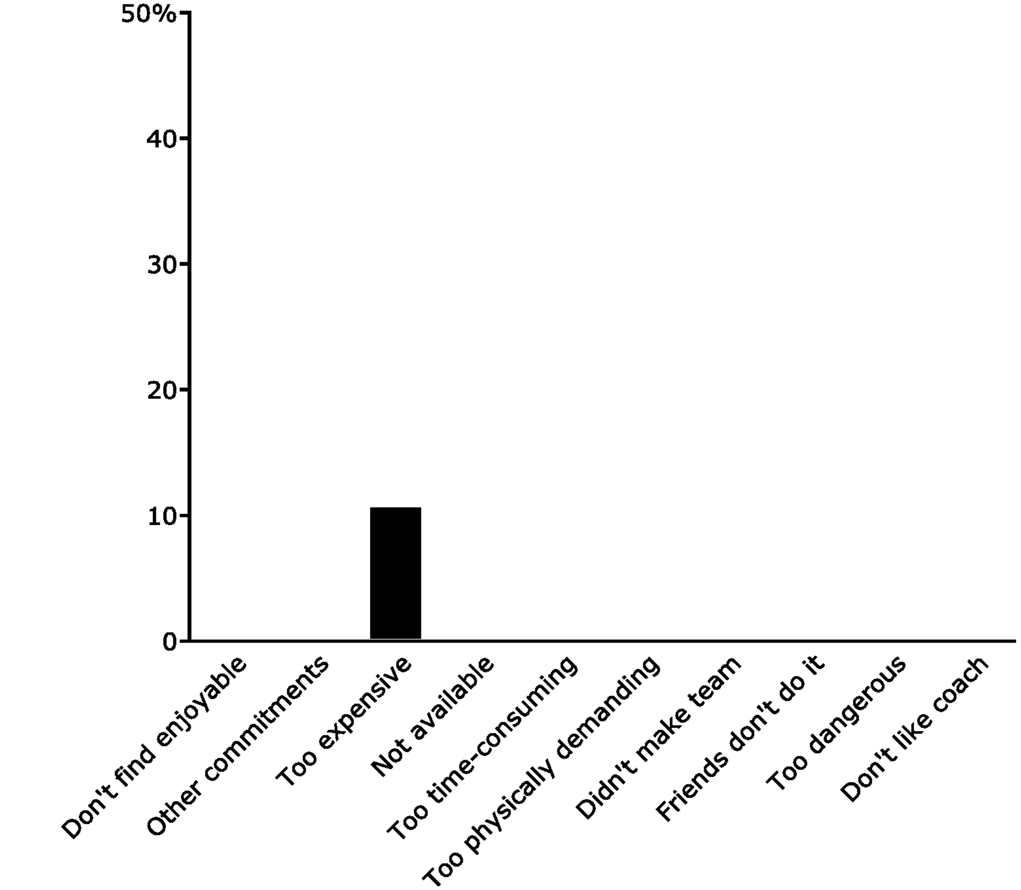
*"**We are seeing more participants come into our gym at a younger age**. They can't get close to the level of competition at school at the younger ages. For the past few years our most popular age group has been the minies (8 & under)"*

All Star Cheer Coach #4

~10% of people say they do not cheer because of high cost

HIGH COST LIMITS PARTICIPATION FOR EVEN THOSE WHO MIGHT FIND IT ENJOYABLE

What, if anything, would make you interested in participating in cheerleading?



COACHES ACKNOWLEDGE COST IS TOO HIGH FOR SOME TO PARTICIPATE

*"My daughter joined a level 4 All Star team for one year. **We spent $12,000 dollars and that was the end of that**."*

High School Cheer Coach #1

*"**It's been very difficult to control the costs for our team**. We are trying to fundraise more every year and also looking to control costs by looking for new vendors because it's too expensive for some of our cheerleaders."*

High School Cheer Coach #2

*"Even though it's a school team, it's basically completely funded by the cheerleaders. **Each cheerleader has to cover about $3000 each season**. We try to fundraise to manage the costs but not everyone can afford to cheer."*

High School Cheer Coach #1

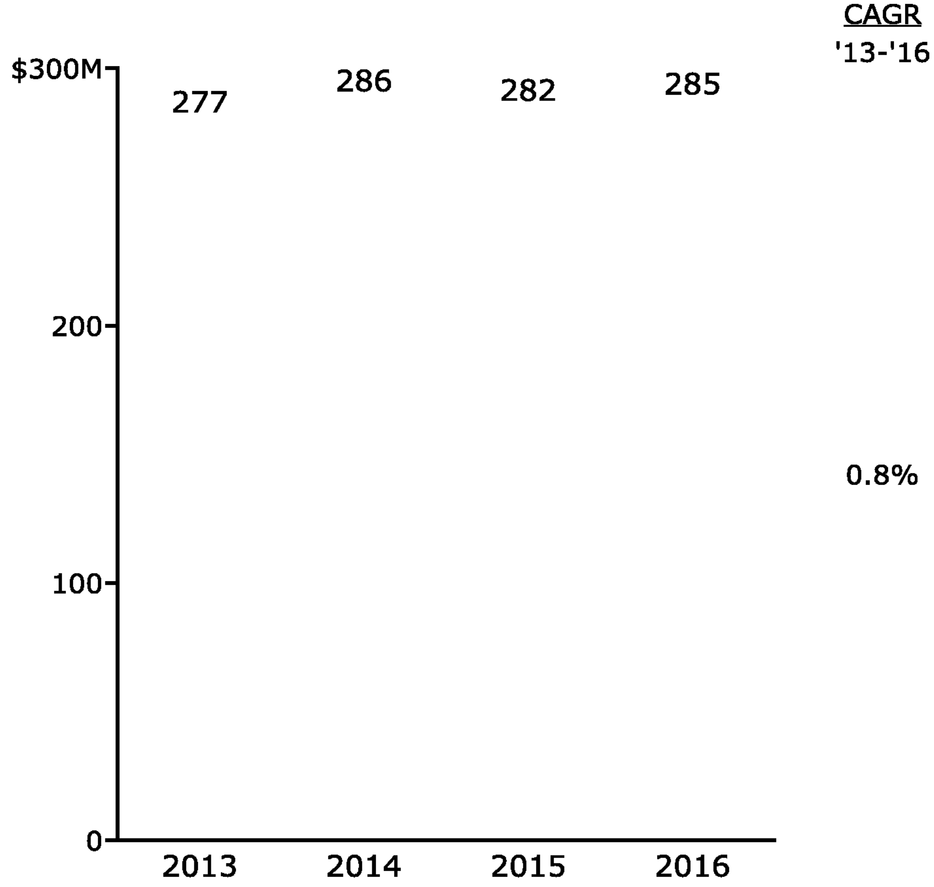
Source: Bain Cheer Consumer Survey (N=989)

Sporting goods data shows cheerleading clothing industry is roughly flat; footwear up (third party data)

PRELIMINARY

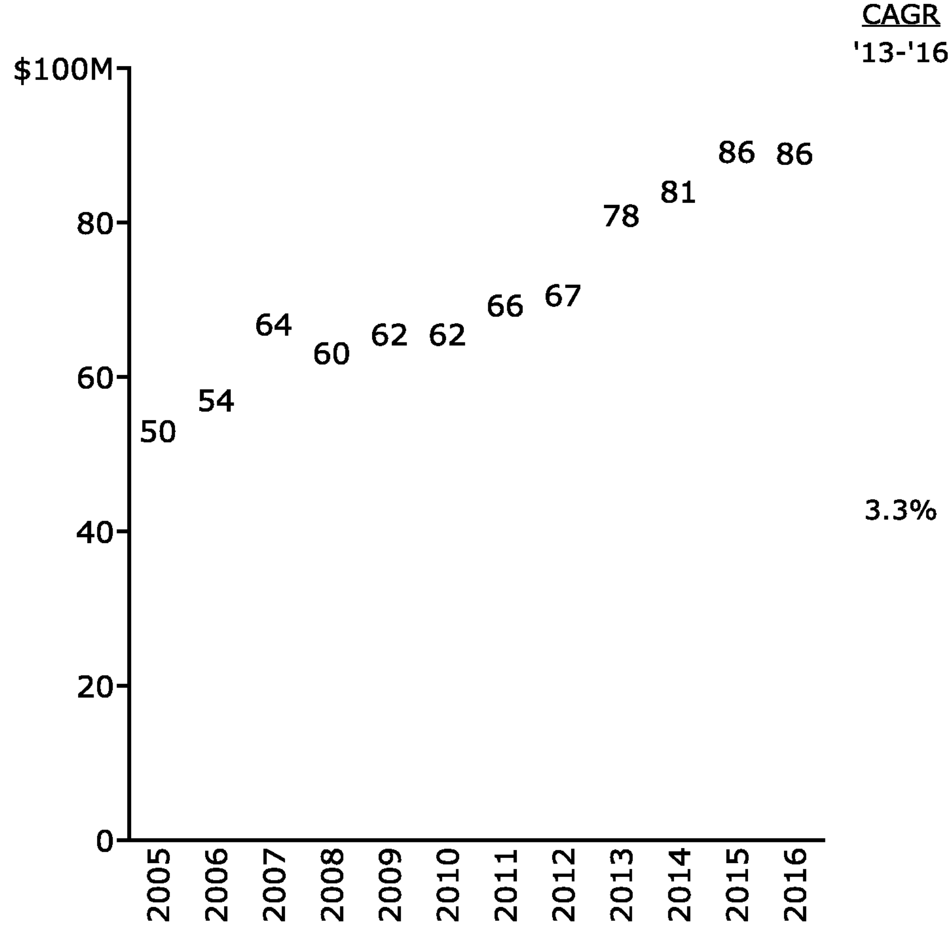
THE CHEER CLOTHING SEGMENT HAS GROWN ~1%...

U.S. cheerleading clothing market



...AND THE FOOTWEAR SEGMENT HAS GROWN SLIGHTLY FASTER AT ~3%

U.S. cheerleading shoes market

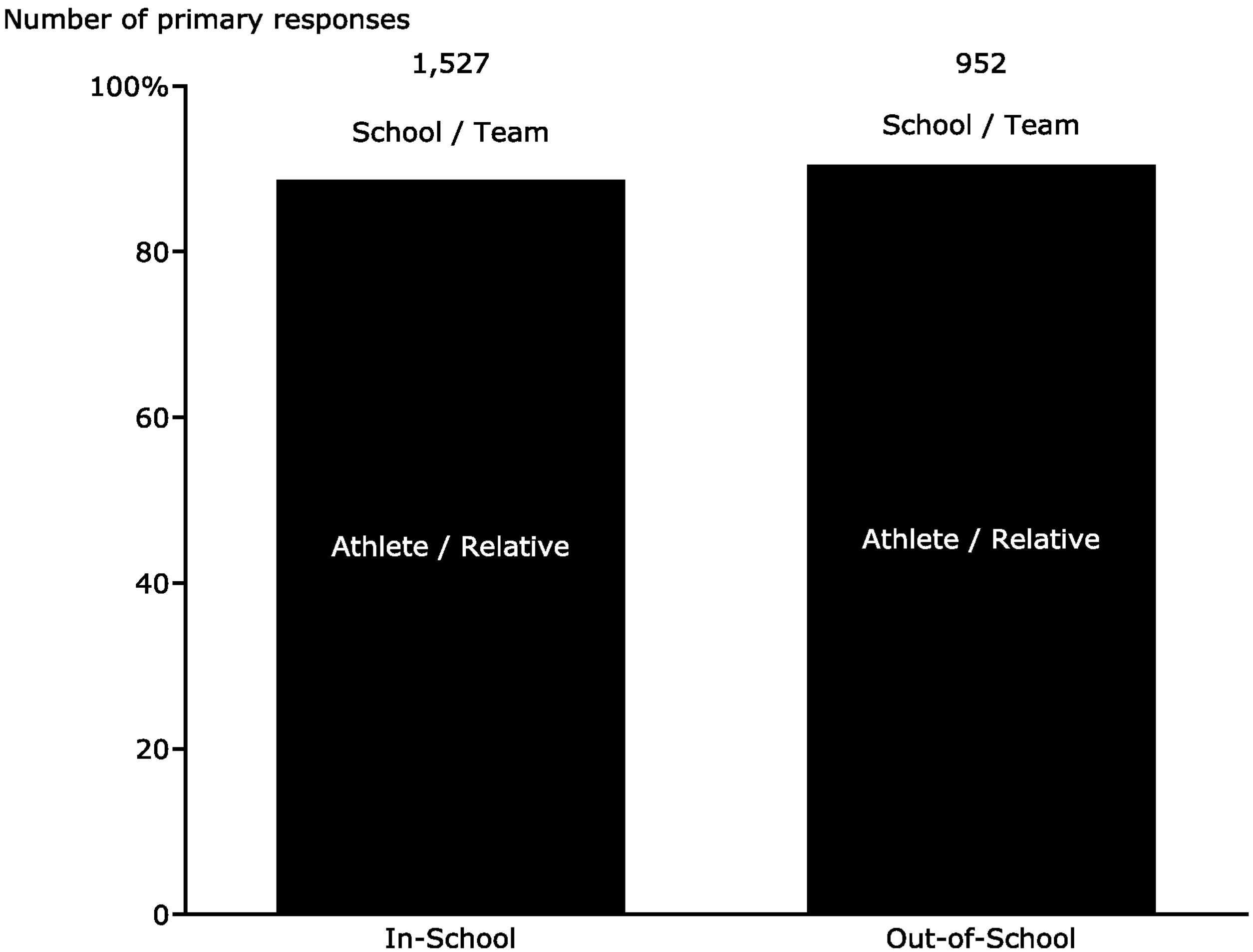


Source: NSGA Sporting Goods Market 2017

Parents and athletes typically foot the bill for cheerleading, even for in-school teams

PARENTS/ATHLETES ARE THE PRIMARY SOURCE OF FUNDING FOR ~90% OF CHEER-RELATED SPEND

Who primarily paid for competitions, camps, cheer gym fees, and apparel in the last year?



Source: Industry participant interviews, Bain Cheer Customer Survey (N=989)

COACHES SAY FAMILIES PAY EXPENSES

*"Our **cheerleaders have to pay for a lot of the expenses**, but the school covers coaching fees, half of in-state competitions, and directs a portion of student athletic fees to the team."*

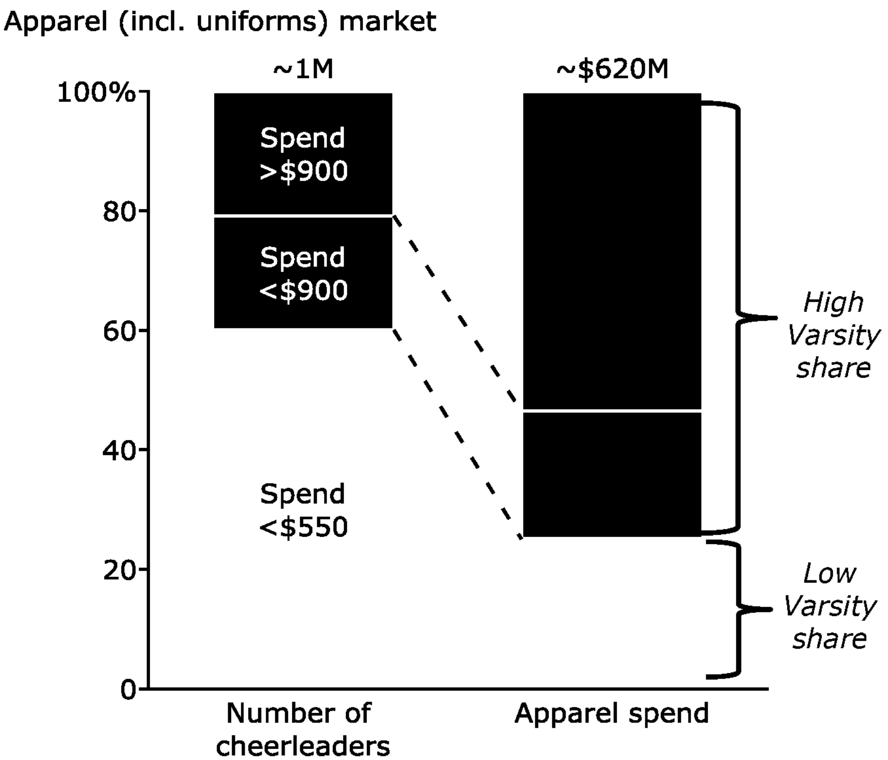
High School Cheer Coach #1

*"**Not much of the expenses are covered directly by the school** anymore, but the athletic department manages a booster club that helps with funding."*

All Star/ High School Cheer Coach #1

Nearly 60% of consumers spend less than $550 per year on cheerleading

~60% OF CONSUMERS SPEND LESS THAN $550/YEAR



*"**Everyone cares about the brand** because there's a stigma in the cheer world. Every school worries about the look and colors, but if your budget doesn't allow you to purchase a Varsity uniform, then you can't buy it. But **I think they all ultimately want Varsity** or Rebel."*

Sales Rep #1, Cheer Brand #1

VARSITY'S OFFERINGS LARGELY IN LINE WITH SIMILAR PRODUCTS

	Varsity	Varsity	Omni	Omni	Other	Other
Uniforms					GTM	
$	$38.00	$37.00	$17.95	$23.95	$28.00	$31.00
Practice-wear					Under Armour	GTM
$	$16.95	$16.95	$13.95	$9.95	$24.99	$16.00
Access-ories					Amazon	
$	$7.95	$8.50	$5.95	$7.95	$6.44	$4.00
Shoes					Nike	
$	$40.00	$40.00	$16.95	$34.99	$85.00	$64.97

Note: Total apparel includes uniforms, practice-wear, campwear, accessories, and footwear
Source: Bain Cheer Consumer Survey (N=989); Bain Analysis; Company websites

Cheer coaches are the key decision maker for most categories of cheerleading spend

CATEGORY	DESCRIPTION	PRICE	KEY DECISION MAKER
Camp	• Primarily for high school teams • Almost all school teams attend at least one camp, some teams attend multiple • Usually during the summer	$100-$600	Coach
Competition	• Both high school and All Star teams • Teams will usually attend between 5-15 competitions	$50-100	Coach
Uniform	• School cheerleaders usually buy a uniform every 1-2 years • All Star cheerleaders usually buy at least one uniform every year	$200-400	Coach
Team warmups	• Warmup purchases decided by team. Sideline cheer requirements influenced by climate	$100-200	Coach
Team practice wear	• Many All Star teams have team practice uniforms, usually buy 2-3 every year	$50-100	Coach
Other apparel	• Other apparel purchased for practice or camp	$50-100	
Shoes	• Cheer specific shoes are required • Some teams have team shoes but cheerleaders allowed to purchase on their own	$75-150	
Accessories	• Bows, poms, and signs teams use during competitions	$20-50	

Source: Industry participant interviews

Coaches: key purchasing criteria are price, quality, and customer service

Coaches

	KPC	IMPORTANCE	RATIONALE	COMMENTARY
In school	Price	Primary Criteria	• School budgets limit spend	"***We primarily choose based on price***. *The whole cheer season costs so much for our athletes that we make an effort to keep costs down wherever we can.*" High School Cheer Coach #2
In school	Delivery	Table stakes	• Need short turnarounds	"*The order always goes out in April or May. I want to everyone get their stuff before we head to camp in the summer so* ***I always will confirm delivery times before ordering.***" High School Cheer Coach #1
In school	Customer service	Table stakes	• Don't want to deal with measuring / ordering sheets	"***Coaches want a hassle free experience***. *They don't want to deal with measuring and incorrect size issues. They usually have a process they follow every year.*" SVP #1, Cheer Brand #1
All Star	Quality / style	Primary Criteria	• Want custom uniforms designed to their specifications	"***Quality is the most important, particularly the durability and fit***. *We'll make sure there aren't any pieces that are going to fall off when the girls are flying through the air.*" All Star Cheer Coach #2
All Star	Customer service	Differentiator	• Don't want to deal with measuring / ordering sheets • Require high service levels for custom design work	"*We aren't just picking uniforms out of a catalogue, our owners work closely with the sales reps to draw up custom designs.* ***They rely on consistent customer service and use the same vendor all the time.***" All Star Cheer Coach #1
All Star	Price	Table stakes	• Gyms want to control expenses for parents	"*We really are focused on the quality and we want to be able to customize designs, but once we find something we like we negotiate on price*. ***We try to minimize costs and usually work with multiple vendors to get the best deal***." All Star Cheer Coach #4

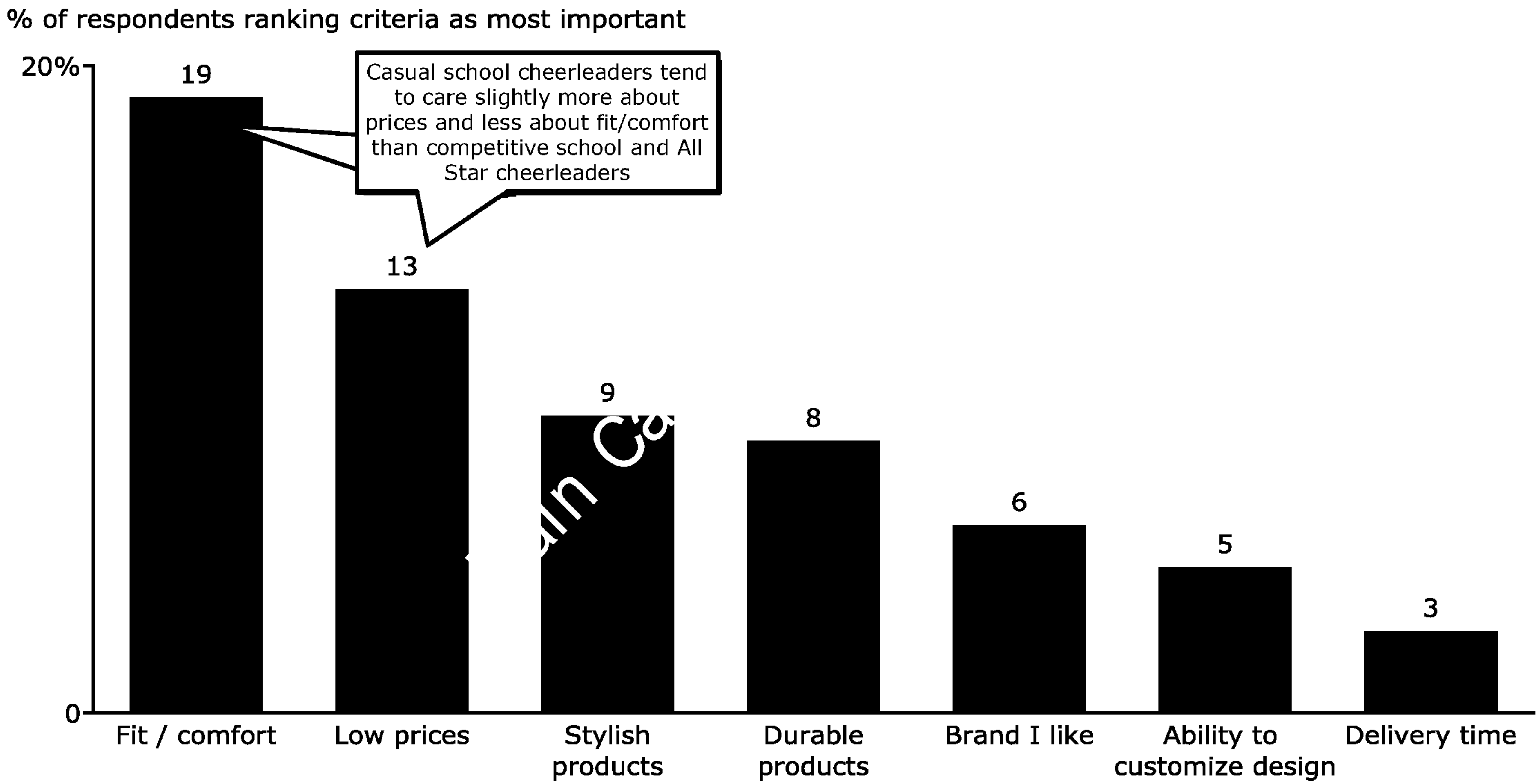
Source: Industry participant interviews

Legend: Table stakes; Differentiator; Primary Criteria

Cheerleaders: for categories where athlete is the decision maker, fit/comfort and price are most important

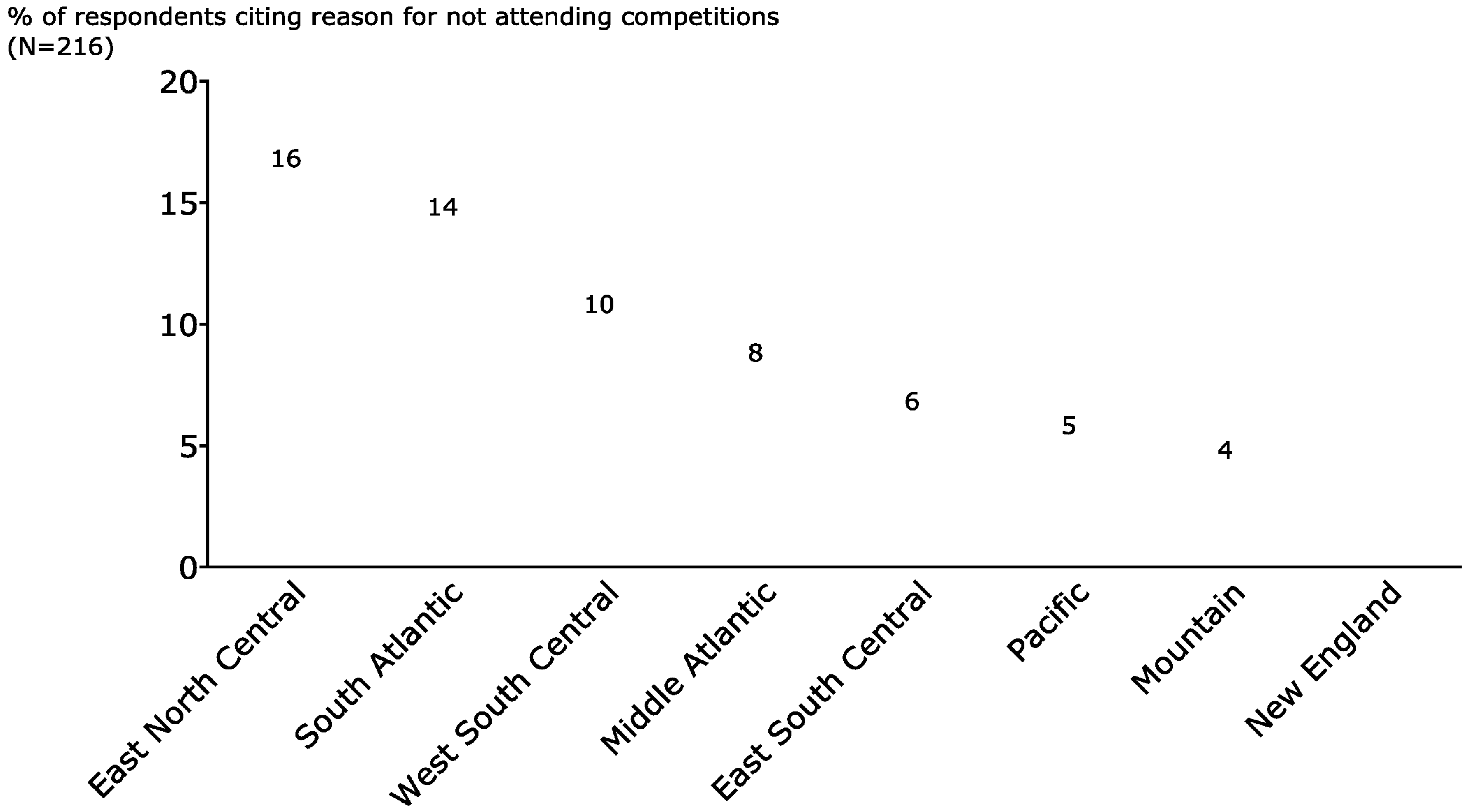
KEY PURCHASE CRITERIA FOR PRACTICE WEAR, ACCESSORIES, AND SHOES

Please rank the 5 most important things to you when buying: cheerleading apparel and cheerleading accessories



Source: Industry participant interviews, Bain Cheer Customer Survey (N=989)

Cheerleaders who cite no competition nearby as a reason for not attending competitions (by region)



Appendix

- BSN
- Spirit
- Herff Jones

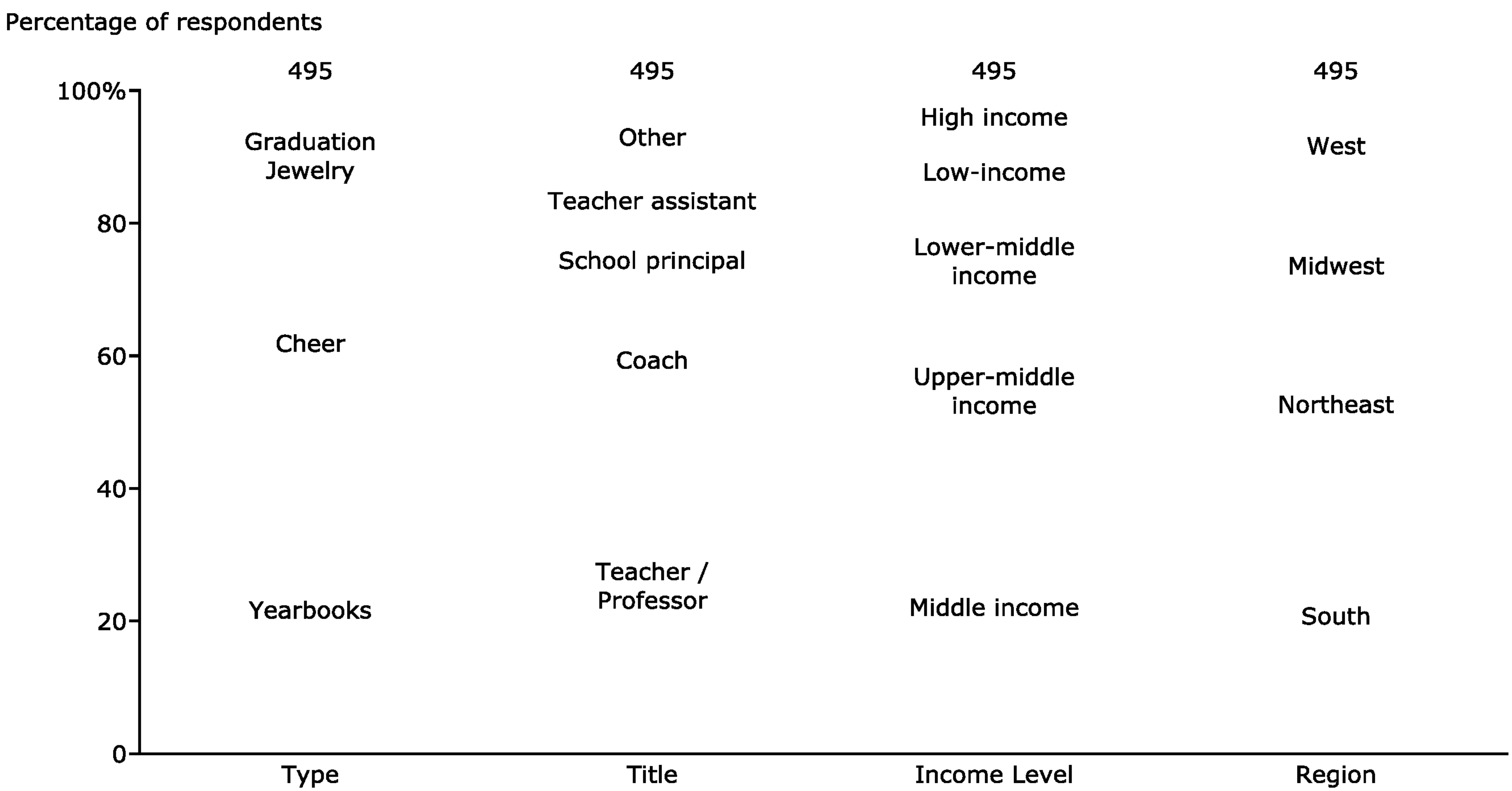
Consumer survey demographics (N=1,500)

PRELIMINARY

Source: Yearbook and class jewelry consumer survey (N=1,500)

Decision maker survey demographics (N=495)

PRELIMINARY



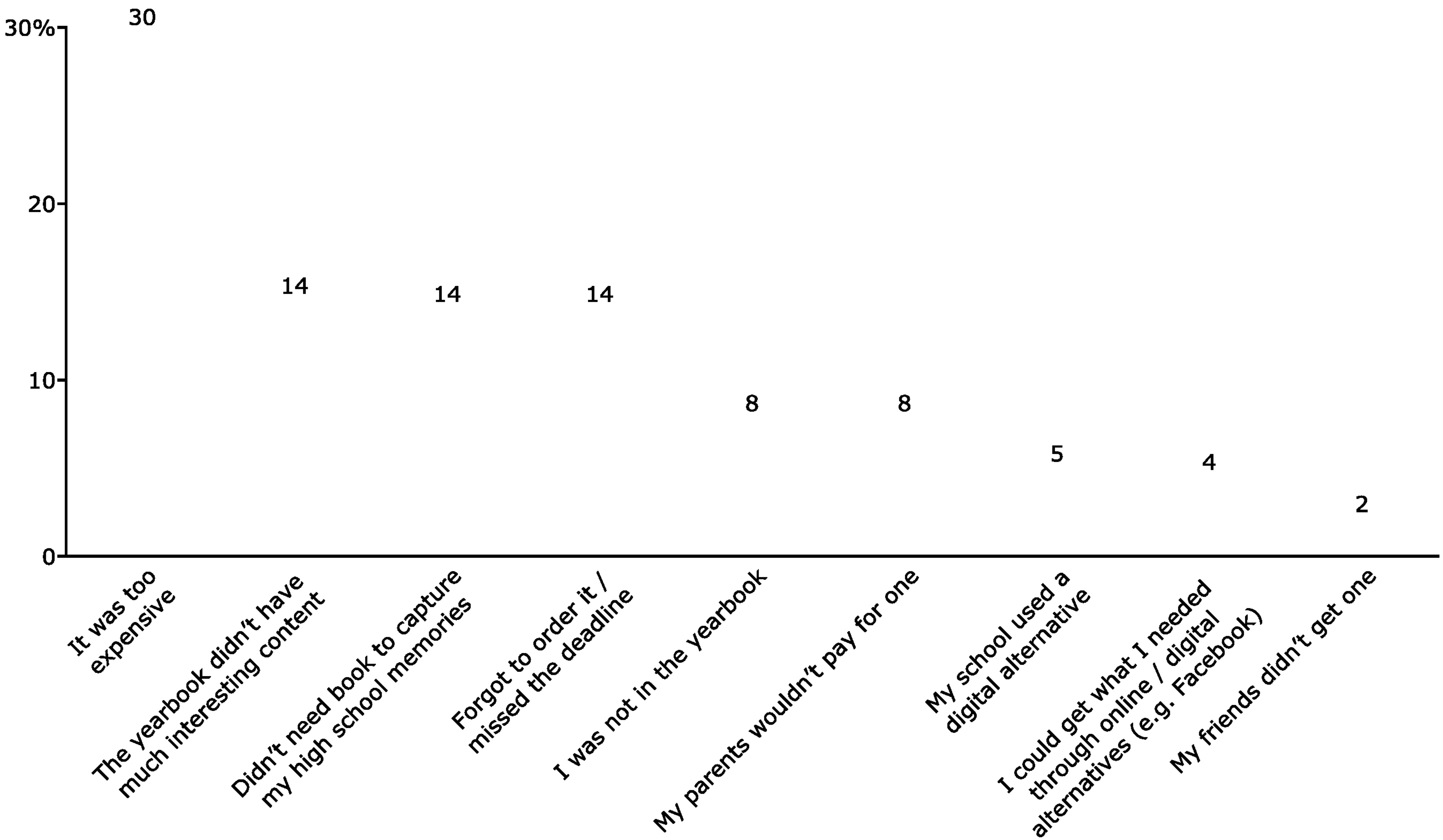
Source: Decision maker survey (N=495)

Yearbook non-buyers cite cost as the key reason

Yearbooks

Please rank the 5 most important reasons why you decided not to buy a high school yearbook.

% of respondents ranking each criteria as most important



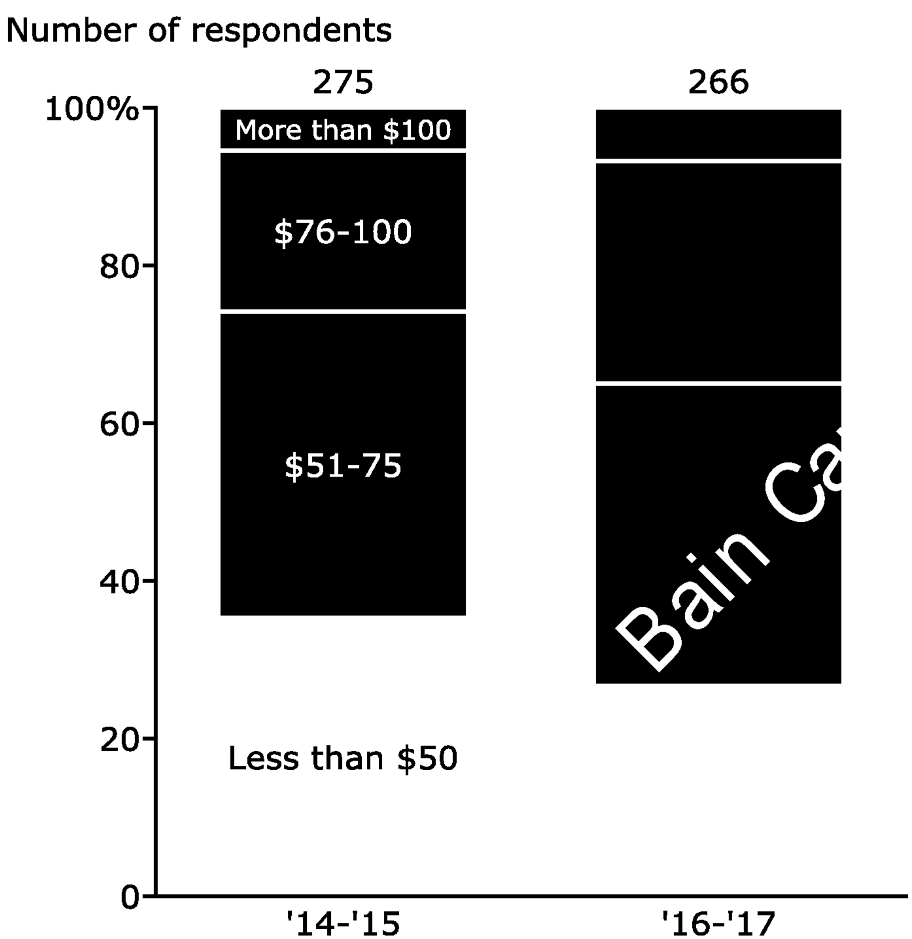
Source: Yearbook and class jewelry consumer survey (N=1,500)

Consumers report yearbook prices have increased in last 3 years

Yearbooks

PRICES ARE INCREASING, NEARLY 80% OF YEARBOOKS COST >$50

Approximately how much did your high school yearbook cost?



TEACHERS AND EXPERTS CONFIRM BOOKS ARE EXPENSIVE

"The price went up, and ***we had to limit our page count to minimize the price increase for the students****."*

Yearbook adviser*, Private HS #3

"Sometimes the yearbook adviser is more interested in having pictures than ***making sure it's affordable."***

VP of business development*, Competitor #1

"There are ***customization*** *options and add-ons like* ***personalized signatures*** *that can significantly* ***drive up the price*** *if you want to have all of them ."*

VP of sales*, Competitor #2

Source: Yearbook and class jewelry consumer survey (N=1,500); Industry participant interviews

There are multiple customers in the yearbook business – schools and students/parents

Yearbooks

THE SCHOOL COMMITS TO A VENDOR…

*"They have to submit a bid to the district. **They get the purchasing agent and the yearbook advisers together, they ask us what we want, and we compare prices**."*

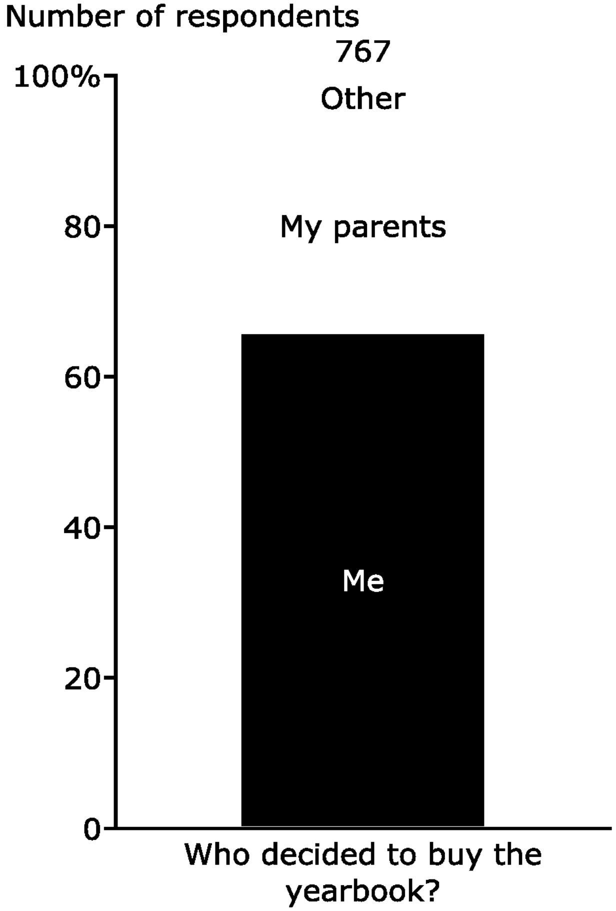
Yearbook adviser, Public HS #1

*"**Every school I've been associated with does things differently**. Some are totally centralized, some do purchasing area by area. As for who makes the decision, it depends on how involved and how important the people in this area are."*

Principal, Private HS #1

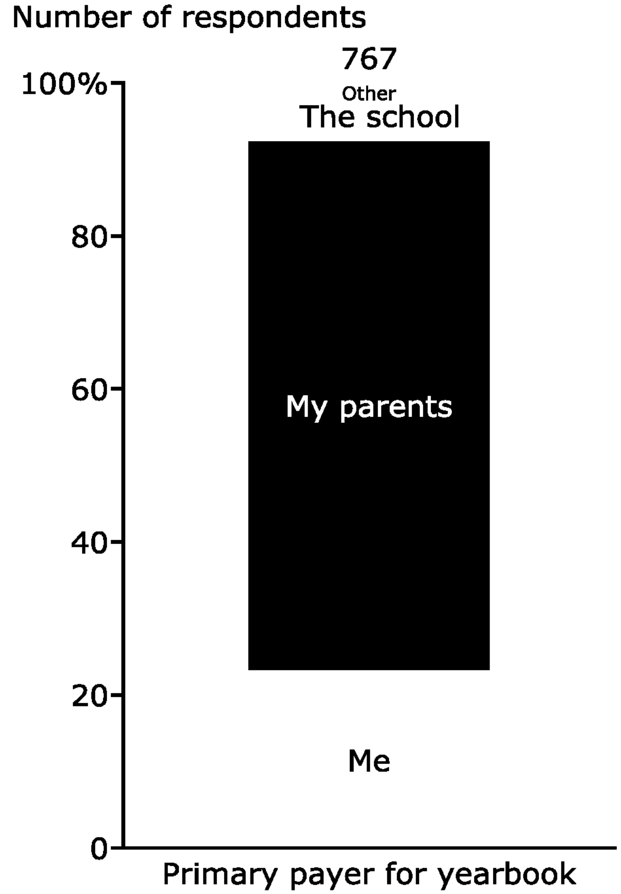
…THE STUDENT MAKES DECISION TO BUY YEARBOOK…

Thinking back, who made the decision to purchase your yearbook?



…BUT RELIES ON PARENTS TO PAY

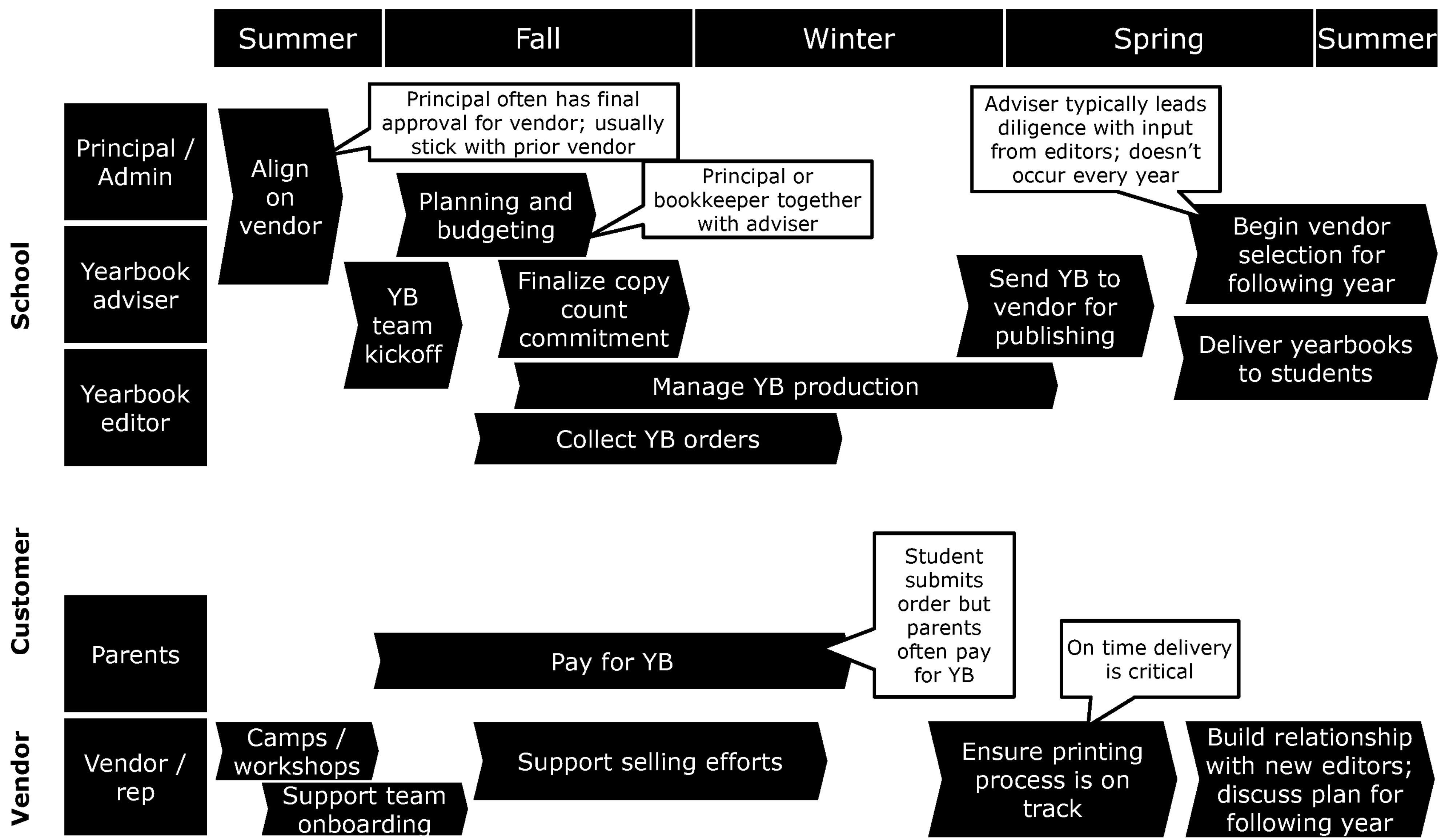
Who primarily paid for your yearbook?



Source: Industry participant interviews; Yearbook and class jewelry consumer survey (N=1,500)

The buying and selling cycle for yearbooks is complex and long, and has multiple constituents

Yearbooks

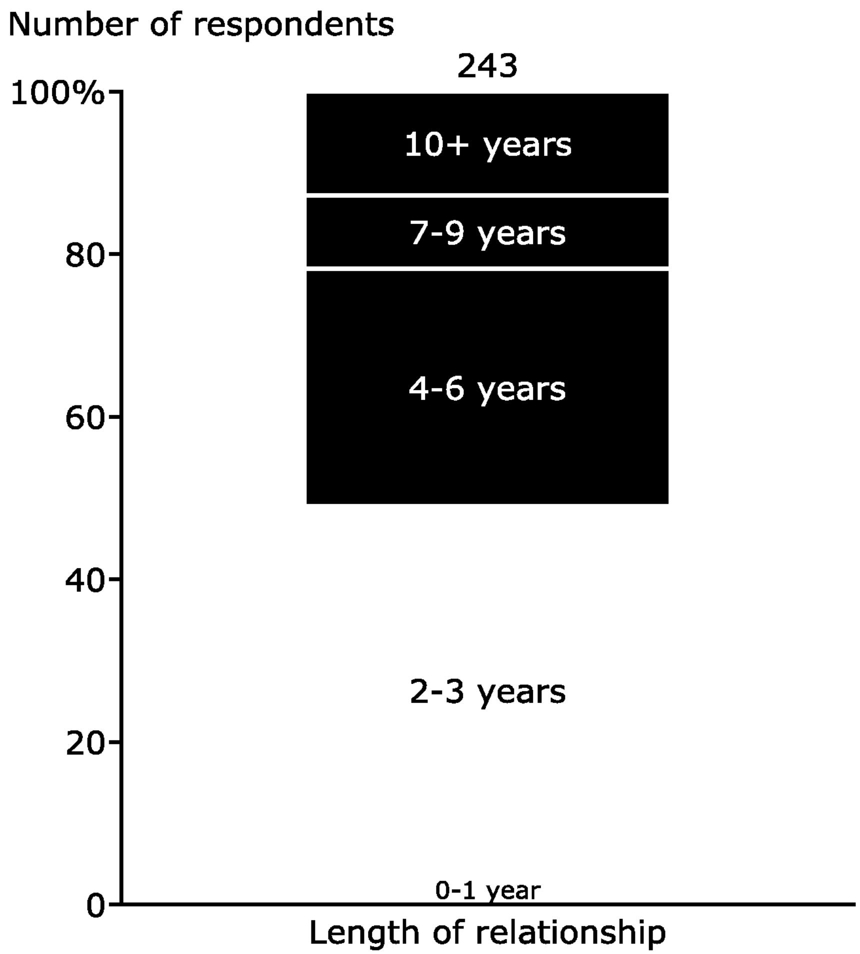


Schools typically have long term relationships with vendors; strong customer service limits switching

Yearbooks

PROVIDERS ARE TYPICALLY INHERITED

For how long has your organization/institution been using this vendor for yearbooks?



PERSONAL CONNECTIONS SUSTAIN LONG-TERM RELATIONSHIPS

"I think it's all about your relationship with the provider."

Yearbook teacher*, Public HS #3

" I see and talk to my rep all the time. He takes care of whatever I need … I get very good service."

Yearbook teacher*, Public HS #4

"If they're considering switching, it's because they don't like their yearbook rep."

Yearbook sales rep*, Competitor #3

"My whole thing my whole career has been customer service. Can I rely on someone to provide me the services I need?"

Yearbook adviser, Public HS #1

Source: Industry participant interviews; Decision-maker survey (N=495)

Online and digital players are gaining some prominence, but digital yearbooks remain unpopular

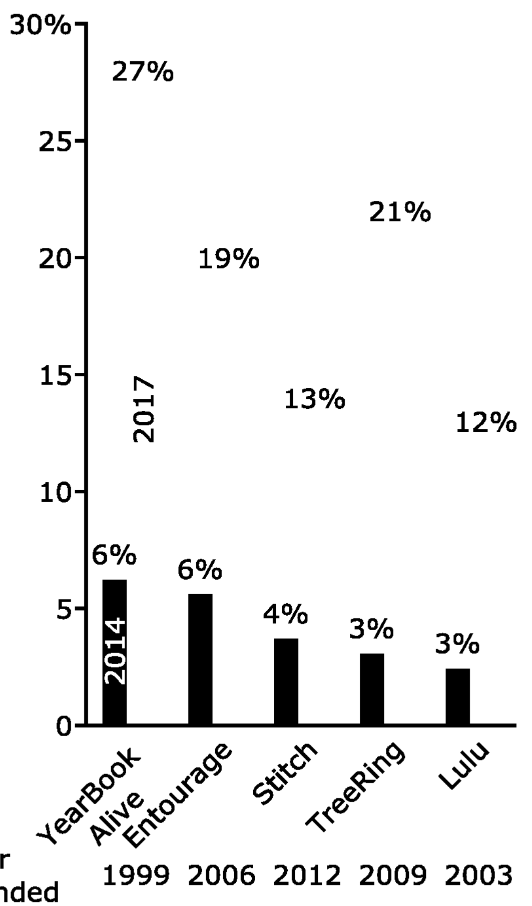
Yearbooks

PRELIMINARY

AWARENESS OF DIGITAL PROVIDERS IS UP…

Which of the following companies or vendors of yearbooks have you heard of?

Percent of respondents

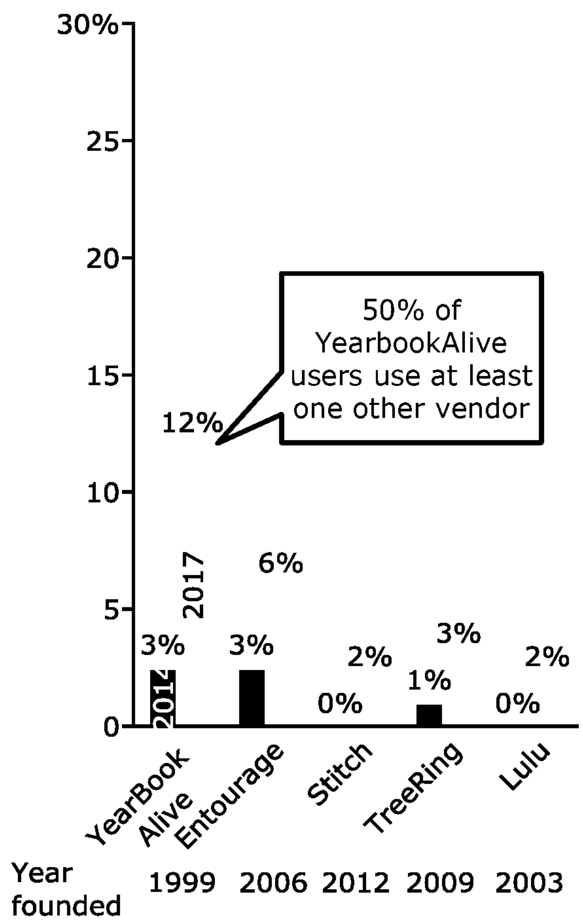


Source: Decision maker survey (N=495)

…AND TEACHERS REPORT RISING USAGE…

Which vendor do you currently use to purchase yearbooks?

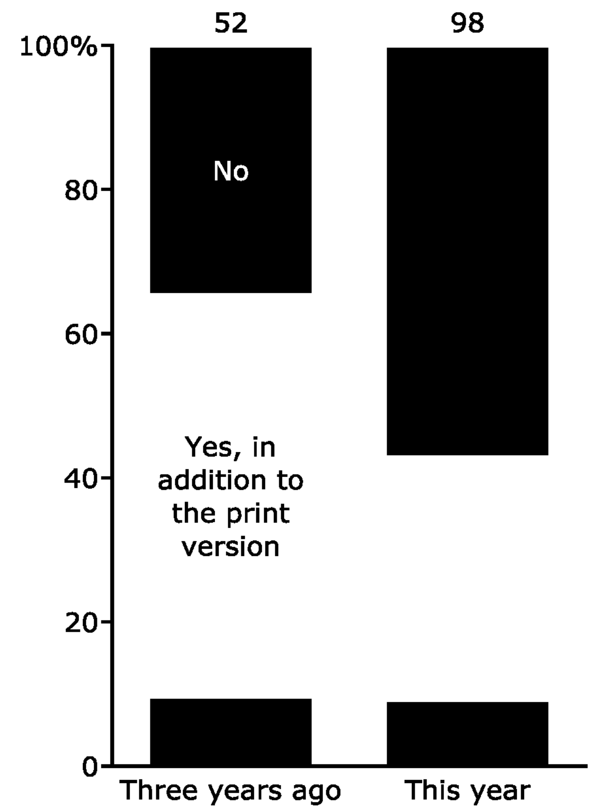
Percent of respondents



…BUT STUDENTS STILL AREN'T BUYING THEM

[of those with the option] Did you purchase an online yearbook?

Percent of respondents

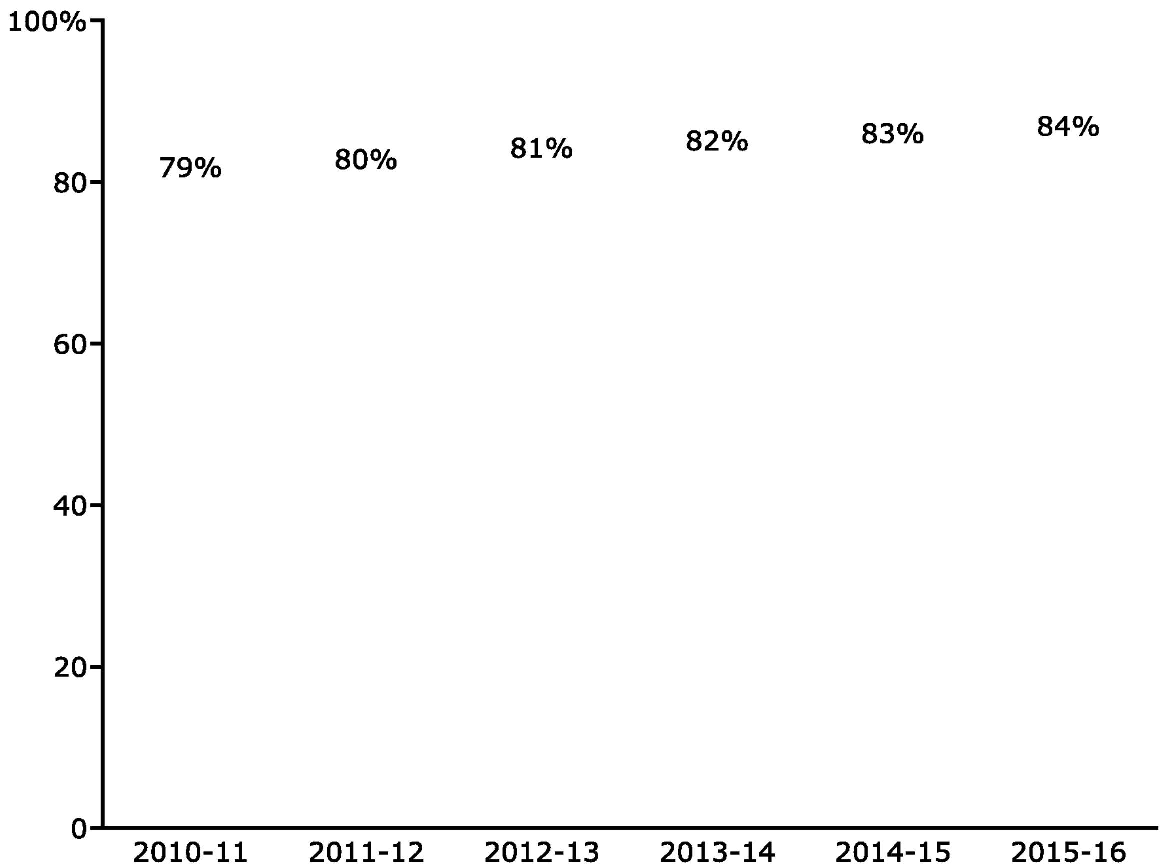


High school graduation rates continue to rise, providing macroeconomic tailwinds for class rings

Jewelry

HIGH SCHOOL GRADUATION RATES GROWING

Average Cohort Graduation Rate (ACGR)
for U.S. public high school students



GRADUATION IN US AT HIGH

"The national high school graduation rate has risen to a new all-time high."

-Education Week

"The total number of students who do not graduate from high school has declined, from 1 million high school dropouts in 2008 to approximately 750,000 dropouts in 2012."

-Alliance for Excellent Education

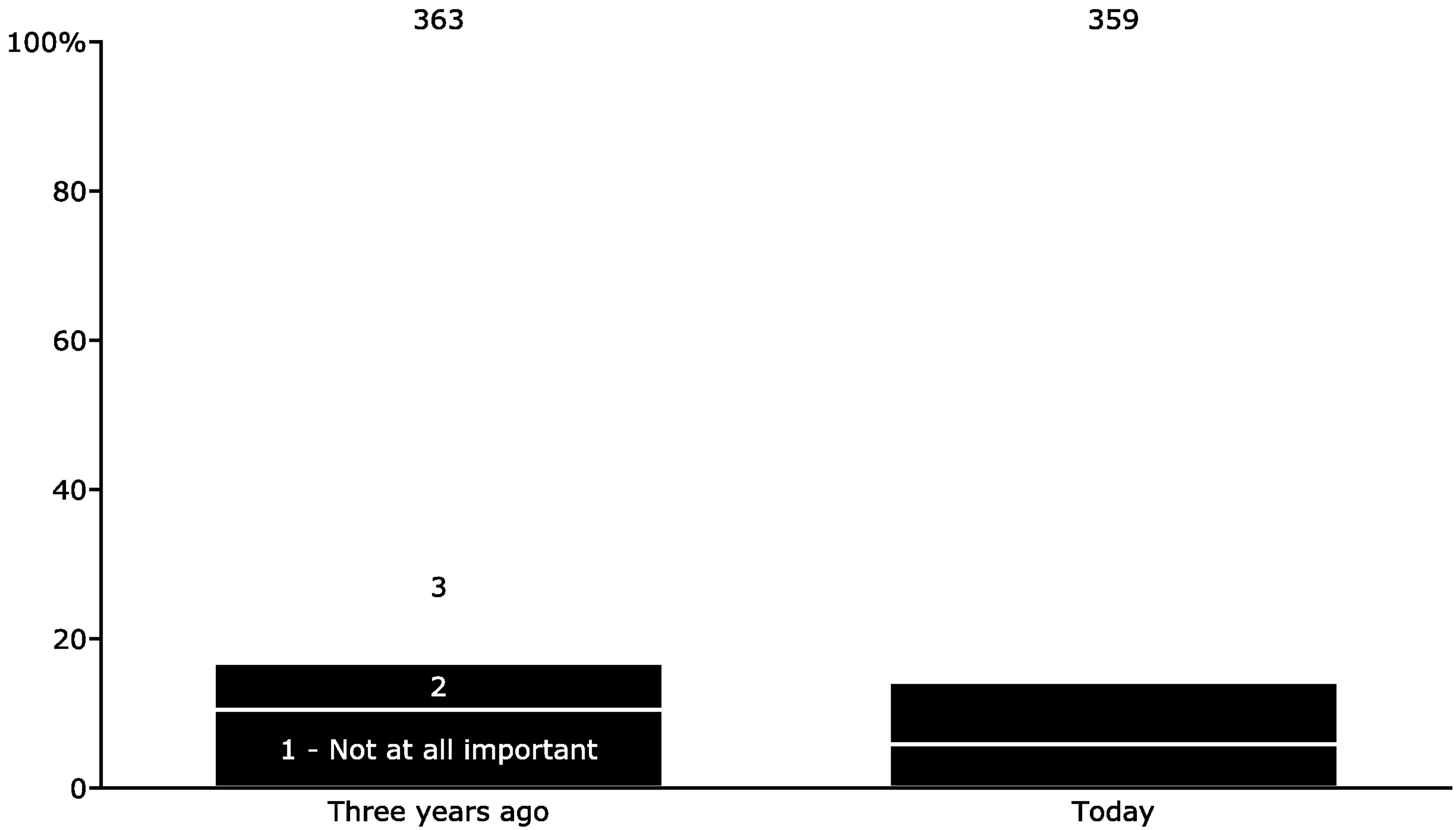
Sources: National Center for Education Statistics; whitehouse.gov

Students prefer "official" class jewelry

Jewelry

How important was it that you purchase the "official" class jewelry (i.e. the ones offered through your school or a school organization) as opposed to an outside alternative (e.g. Wal-Mart, Amazon, etc.)?

Importance of purchasing "official" ring vs. alternative



Source: Yearbook and class jewelry consumer survey (N=1,500)

Schools choose an “official” class ring vendor, students decide to buy a ring and parents pay

Jewelry

SCHOOLS PLACE LESS WEIGHT ON CHOOSING A JEWELRY VENDOR

*“**Schools don’t have any skin in the game, so we’re less worried about it**. It’d be different if it was a revenue producer. Our obligation is to ensure quality.”*

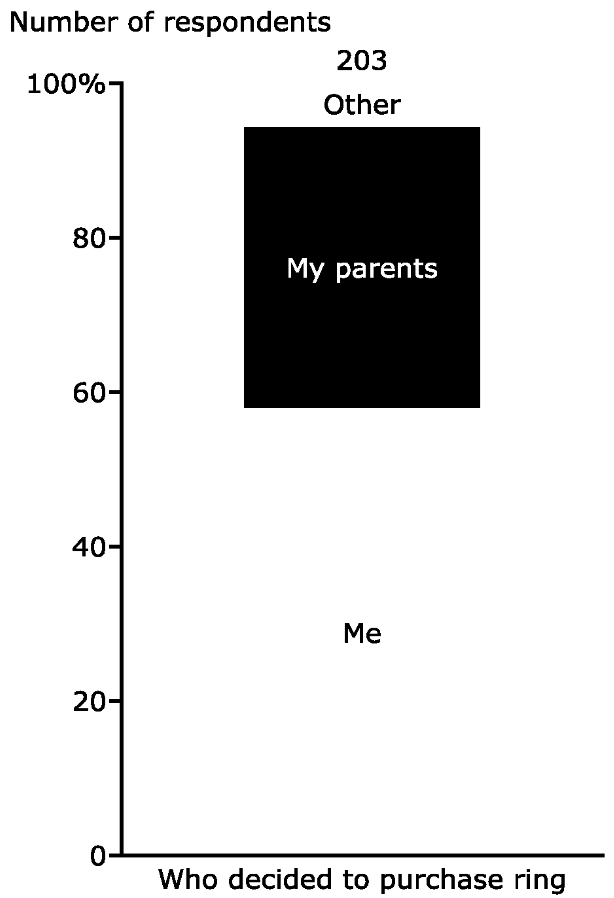
CFO, Private HS #1

*“It's about developing a relationship with the key individuals in the school. **The sales rep identifies key stakeholders and finds out who makes the decision**.”*

Former manager of sales operations, Competitor #2

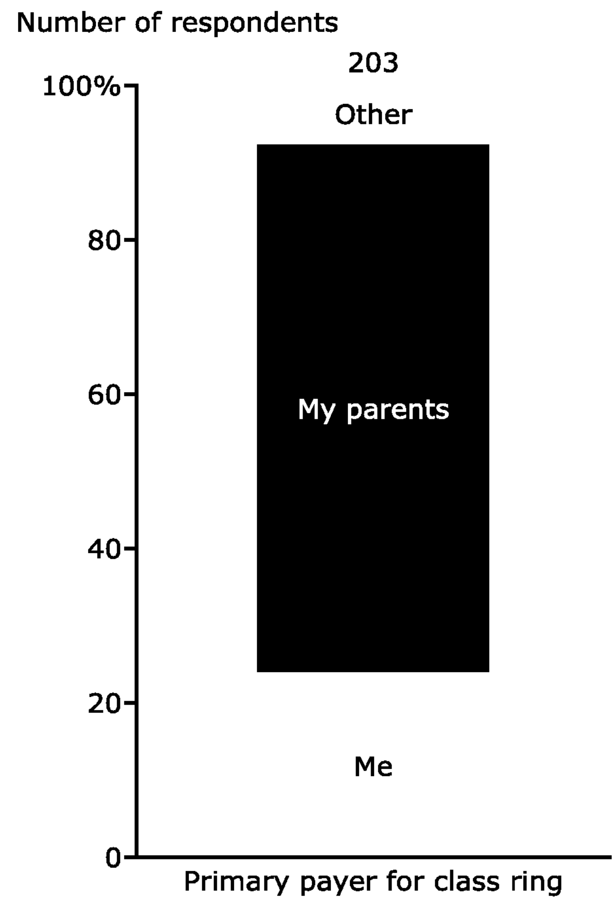
STUDENTS AND PARENTS EACH DECIDE ~50% OF THE TIME

Who made the decision to purchase your yearbook?



...BUT PARENTS STILL PAY IN THE MAJORITY OF CASES

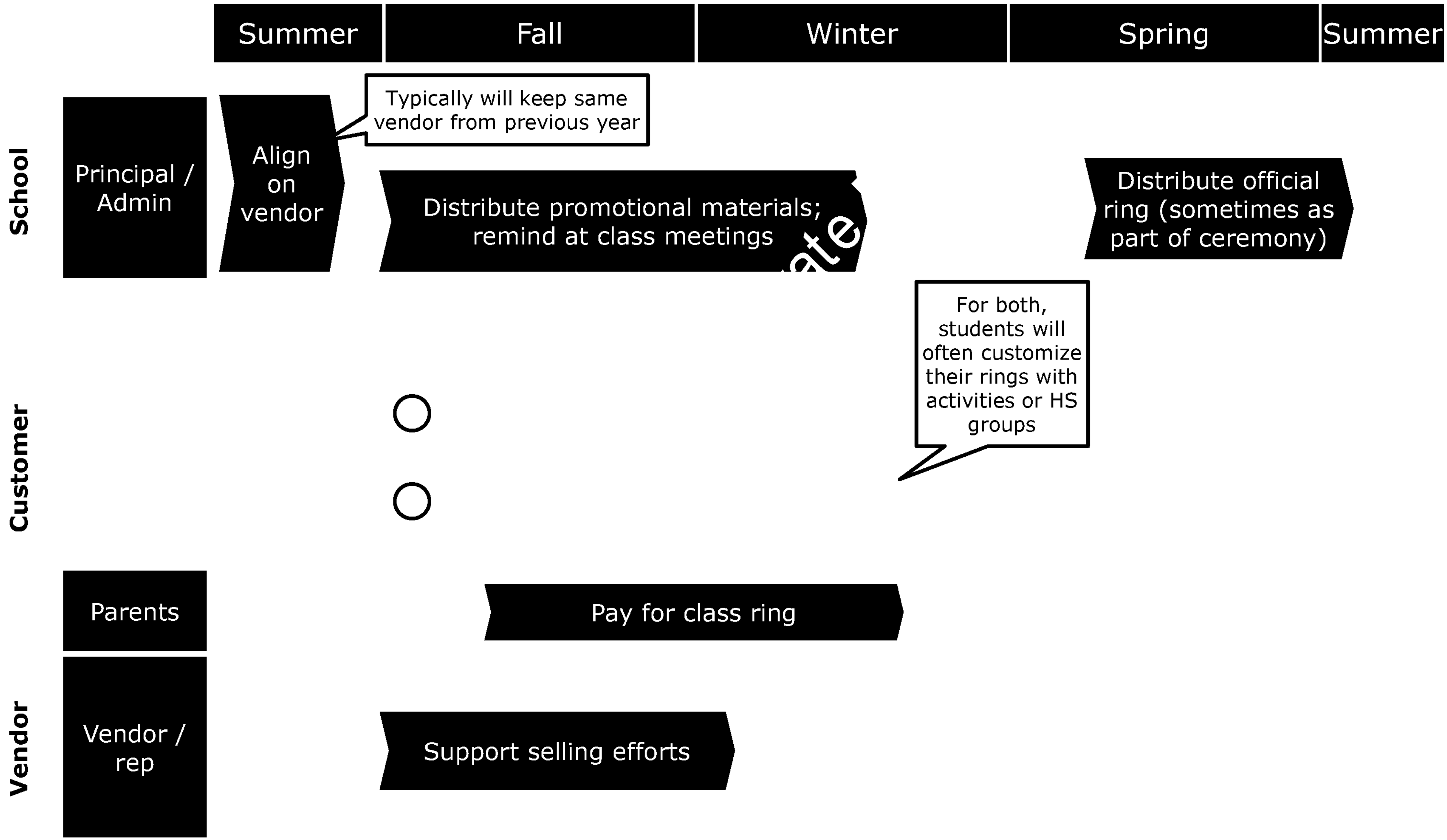
Who primarily paid for your yearbook?



Source: Industry participant interviews; Yearbook and class jewelry consumer survey

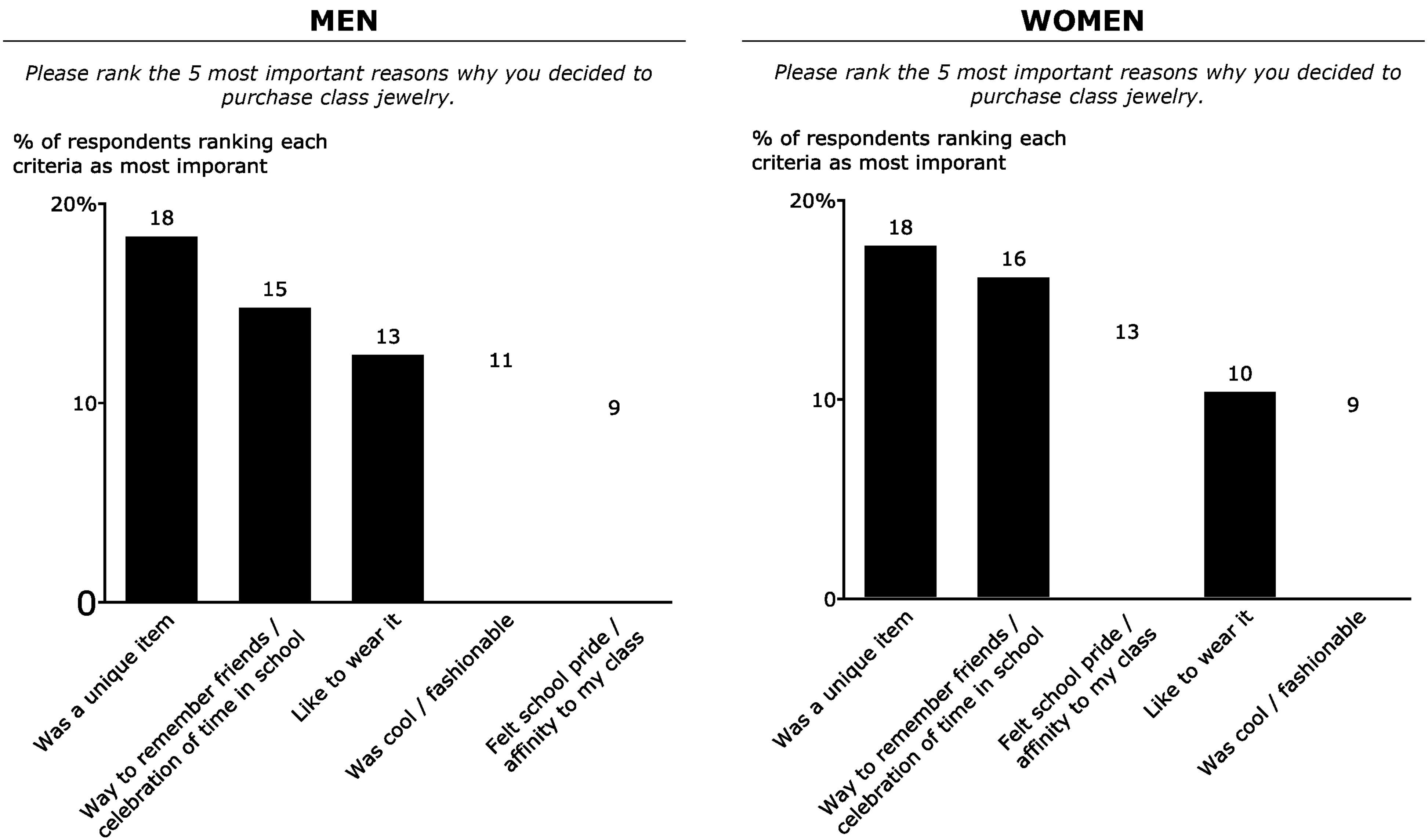
Process of buying a class ring begins in the fall, and is largely self-directed by students

Jewelry



Consumer KPCs for buying class jewelry are very similar across genders

Jewelry



Source: Yearbook and class jewelry consumer survey (N=1,500)

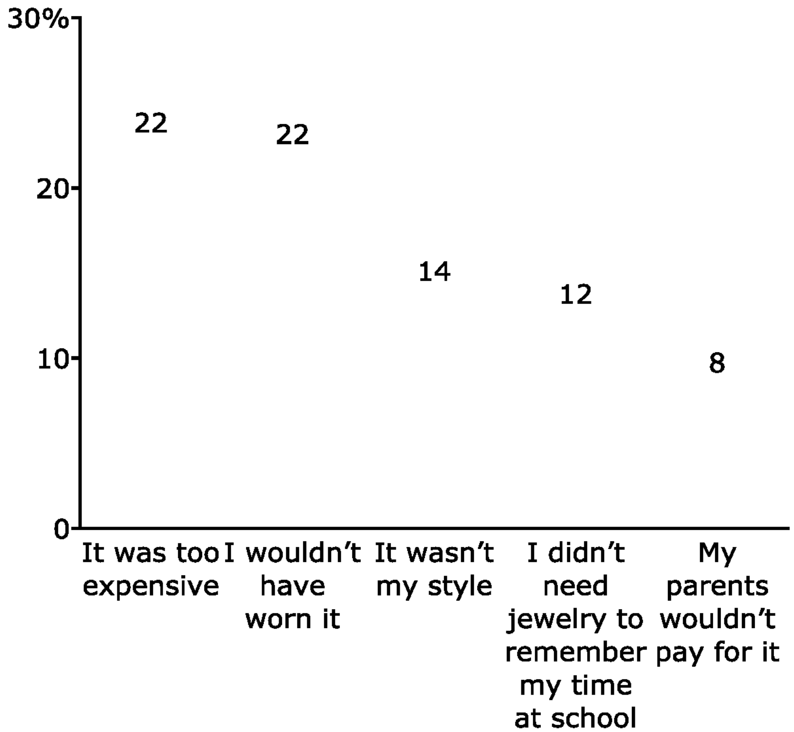
Consumer reasons for not buying jewelry are very similar across genders

Jewelry

MEN

Please rank the 5 most important reasons why you decided to not purchase class jewelry.

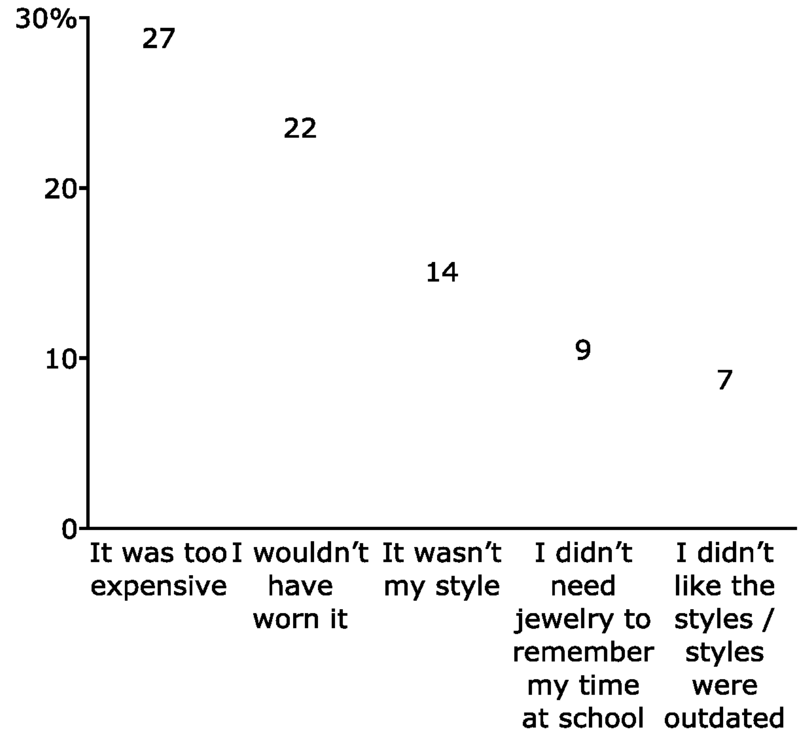
% of respondents ranking each criteria as most imporant



WOMEN

Please rank the 5 most important reasons why you decided to not purchase class jewelry.

% of respondents ranking each criteria as most imporant



Source: Yearbook and class jewelry consumer survey (N=1,500)

EXHIBIT 27

FILED UNDER SEAL

IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF TENNESSEE

FUSION ELITE ALL STARS, et al., Plaintiffs, vs. VARSITY BRANDS, LLC, et al., Defendants. — Case No. 2:20-cv-02600-SHL-TMP

JONES, et al., Plaintiffs, vs. BAIN CAPITAL PRIVATE EQUITY, et al., Defendants. — Case No. 2:20-cv-02892-SHL-TMP

AMERICAN SPIRIT AND CHEER ESSENTIALS, INC., et al., Plaintiffs, vs. VARSITY BRANDS, LLC, et al., Defendants. — Case No. 2:20-cv-02782-SHL-TMP

VIDEOTAPED ORAL DEPOSITION OF

JIM HILL

Monday, March 21, 2022
9:27 (EST)

730 West Main Street - Suite 101
Louisville, Kentucky 40202

Stenographically remotely reported by:
Mayleen Ahmed, RMR, CRR, CRC, CCR/CSR
Job No.: 831774

Q. Mr. Hill, for context, let me present to you that the records that we have show that Varsity acquired Mardi Gras --

A. Yeah.

Q. -- in December, on December 1 of 2017.

Does that sound right to you?

MR. KAISER: Objection.

A. That -- that's correct. So where we got our -- so when this -- I remember this distinctly now.

When we -- this email was had -- so Mardi Gras was, obviously, an event that we attacked prior to this date, before they became a Varsity event.

They were a Tier 1 event producer. We put other events around it for the sole purpose of -- of, you know, trying to attack it, just like we've discussed.

When acquired Mardi Gras, they -- they had creeped below the 125-team mark to maintain Tier 1 status. Now, as indicated that we had just acquired this brand, the brand really held little to no value if they lost their Tier 1 status and the ability to give World bids.

So the point of what we're talking about

REPORTER'S CERTIFICATE

I, MAYLEEN AHMED, the undersigned, do hereby certify:

That the witness, JIM HILL, before examination was remotely duly sworn; that the foregoing deposition was taken remotely stenographically by me on March 21, 2022, and thereafter was transcribed by me; that the deposition is a full, true, and complete transcript of the testimony; and that, in accordance with FRCP 30(e)(1), before completion of the proceedings, review of the transcript was not requested and signature was not reserved by the witness. I further certify that I am not a relative or employee of any attorney or counsel or any party to this action, and that I am not financially interested in said action or the outcome thereof.

In WITNESS WHEREOF, I have hereunto set my hand this 30th day of March 2022.

/s/ MAYLEEN AHMED, RMR, CRR, CRC
Washington CCR No. 3402 - Exp 12/29/22
Oregon CSR No: 17-0447 - Exp 12/31/23
Texas CSR No: 9428 - Exp 7/31/23
California CSR No: 14380 - Exp 12/31/22
New York Notary Public

EXHIBIT 28

FILED UNDER SEAL

From: Brian Elza [DCC92D88-7875-4FD0-A402-B946BC17EB2F@varsity.com]
Sent: 12/7/2017 10:29:29 AM
To: John Nichols; Landon Craft; Tres LeTard; Jim Hill
Subject: MARDI GRAS

John

As you know we often put events on other events in order to hurt our competitors.

This past season we decided to put a JAM event in Baton Rouge to go head to head with MARDI GRAS world bid Event in New Orleans on Jan 14 weekend. Strategy worked and now Mardi Gras is sitting around 60 ish teams and JAM at 70.

If MARDI GRAS doesn't hit 125 teams they lose their Tier 1 Status. The JAM Event is budgeted to make $46K. If we cancel the cancellation fee is @$13K.

Plan would be to cancel JAM and move all of those teams to MARDI GRAS. Would you be opposed to doing that? Is it too late to pull this JAM Event from the budget?

Brian Elza
General Manager, VP of Sales
Varsity All Star
A Varsity Spirit Brand
(Office) 901-251-5897
(Cell) 859-983-0289
(Fax) 865-675-9324

ELZA
EXHIBIT
33
11-16-21 - LEXITAS

EXHIBIT 29

FILED UNDER SEAL

From: Kevin Brubaker [kbrubaker@varsity.com]
Sent: 12/19/2017 5:09:38 PM
To: Joshua Johnson [jjohnson@varsity.com]; Justin Carrier [JCarrier@varsity.com]; 'letsgocelebrate@aol.com' [letsgocelebrate@aol.com]; Regina Symons Cheer Power [regina@cheerpower.com]; Jim Hill [jhill@varsity.com]; Tres LeTard [TLeTard@varsity.com]; Brian Elza [belza@varsity.com]; Cole Stott [CStott@varsityspirit.com]
CC: Josh Quintero [JQuintero@varsity.com]; Leah Calderon Cheer Power [leah@cheerpower.com]; Wendy Hughes [wendy@spiritcelebration.com]; Ty Symons Cheer Power [ty@cheerpower.com]; Adam Thomas Spirit Holdings [adamthomas@universalspirit.com]; Debi Larson Spirit Holdings [debilarson@cheersport.net]; Catherine Steed Spirit Holdings [catherinesteed@cheersport.net]
Subject: RE: Texas Analysis/Competitor Tracking

Tank,

Thanks for all of this information. We ALL appreciate you being on top of this market and continuing to help Varsity All Star as a whole do so well throughout Texas. A lot of that comes from competitor tracking and you putting in the work to help understand our competitors and their tendencies.

Please see my notes below and give some thoughts of exactly what we need to continue to do for the 2018-2019 season in Texas. Please note, I really want to know of especially where to add back in Cheersport for the 2018-2019 season in Houston.

Merry Christmas to you and your family.

Take Care and God Bless You,

Kevin T. Brubaker
Cell Phone #704-609-1111
Varsity National Sales Director of New Development

"Commit to the Lord whatever you do, and your plans will succeed" -Proverbs 16:3

VARSITY
ALL STAR

From: Joshua Johnson
Sent: Tuesday, December 19, 2017 4:11 PM
To: Justin Carrier <JCarrier@varsity.com>; 'letsgocelebrate@aol.com' <letsgocelebrate@aol.com>; Regina Symons Cheer Power <regina@cheerpower.com>; Jim Hill <jhill@varsity.com>; Tres LeTard <TLeTard@varsity.com>; Brian Elza <belza@varsity.com>; Cole Stott <CStott@varsityspirit.com>; Kevin Brubaker <kbrubaker@varsity.com>
Cc: Josh Quintero <JQuintero@varsity.com>; Leah Calderon Cheer Power <leah@cheerpower.com>; Wendy Hughes <wendy@spiritcelebration.com>; Ty Symons Cheer Power <ty@cheerpower.com>
Subject: Texas Analysis/Competitor Tracking

Good Afternoon,

Before many of us head out for the Christmas Break, I wanted to share an update on the Texas market in regards to our competitors and the overall success of their events. In the outline below, I have summarized each weekend as it pertains to the select markets where we host events. I have also attached the compiled event tracking spreadsheet with details for your convenience.

QUINTERO EXHIBIT 11 3-29-22 LEXITAS

With full understanding that VAS had a rough start to the early Fall season, which can be attributed to the new USASF Roster System and Requirements, Uniform Delays, and a Hurricane Harvey, we still outperformed our competitors by good margins. VAS has an incredible hold on the major markets of Texas and continues to apply pressure to the IEPs and Non-Sanctioned EPs, even when we were down.

- **Oct – Halloween Battles**
  - -South Texas Area:
    - Fun Cheer San Antonio (10/29/17) Cancelled last minute, only 17 teams year prior Good!
    - Cheer America San Marcos –(10/29/17) – Total 39 – down 16 teams Try to get them to ACP in San Antonio next year.
      ***Weekend before---American Cheer Power San Antonio (10/14/17) – 55 – down 28 teams Try to grow it by taking the teams from Cheer America.
    - ***VAS still has the largest event in South Texas Market for Halloween weekends in Oct. Good!
  - -North Texas Area
    - American Cheer Power Frisco Halloween (10/28/17)- 49 teams – Down 26 teams ACP will keep this date and try to grow this event so a competitor does not use this weekend.
    - ***No competitor events currently in the area Good!
    - ***No other events to pull from except gym showcases. We have officially pushed all competitors out of this market on this weekend. Good!
    - ***Changing this event date potentially gives IEP's a free weekend in North Texas. That is why ACP is staying.

- **November – Battles**
  - First Weekend of November:
    - North Texas Area
      - NCA North Texas – (11/05/17) 116 Total AS performances , down 9 teams from LY
      - No other events to pull from. Except gym showcases. Good.
      - ***First Weekend North Texas In November seems to be owned by VAS, no other EP has an event in North Texas area on First weekend. All been pushed out by VAS. Good!
      - ***Changing this event date potentially gives IEP's a free weekend in North Texas. It will stay NCA.
    - South Texas -Houston Area –
      - American Cheer Power – Cypress/Houston (11/04/17) – 85 AS performances - down 14 teams – Try to grow it by taking the teams from Fun Cheer.
      - Fun Cheer – Conroe/North Houston (11/05/17) 11 AS performances – down 6 teams Move these teams to ACP.
      - NCA – San Antonio (11/04/17) 35 AS performances –down 1 team Try to grow it.
      - ***VAS still has largest events in South Texas Market for early November weekends. Good.
  - Second Weekend November
    - North Texas Area (Head to Head)
      - United Cheer -Garland –(11-11-2017) only had 7 AS teams Move these teams to SCB.
      - Spirit Celebration Fall –Denton (11/12/17)- 84 AS total teams - Up 14 AS cheer teams down on dance teams Grow this by taking United teams.

- ***VAS has pushed all IEPs off this weekend, I don't anticipate United Cheer returning to Garland. Good!

- South Texas Area
  - NCA Lone Star Houston is same weekend (11/11-12/17) 204 AS Teams – up 20 teams from LY. Grow this by taking Cheer Star & Cheer USA customers.
  - Cheer Star Productions – San Antonio (11/12/17)– 4 AS teams registered Move to NCA.
  - Cheer USA -San Antonio (11/11/17) –- 19 AS teams registered Move to NCA.
  - ***VAS has captured the San Antonio market on this weekend and we were all the way in Houston. Good!

- Third Weekend November (Thanksgiving Break)
  - North Texas Area
    - has no events, nothing going on. Thanksgiving break. Historically showing a low weekend. No IEPs, nothing. I am confident that VAS and IEPs have tried to run events on this weekend with no success. But still could be a potential opening to offer. With no school in the Dallas / Fort Worth area the week of Thanksgiving, this market seems to not have any events the week before Thanksgiving and probably shoulsd tay that way.

  - South Texas Area (Houston)
    - United Cheer- NRG Houston (11/18/17) --27 Total AS Performances – down 30 teams Move teams to ACP, NCA or CS all in November.
    - Old School Cheer Events– Corpus Christi (11/18/17) - 22 AS teams total – first time event Move teams to ACP, NCA or CS all in November.
    - WSA - Woodlands (11/19/17) -14 AS teams total - Lenny and Darren fighting for Season Pass customers Move teams to ACP, NCA or CS all in November.
    - ***VAS CHEERSPORT cancelled this weekend. Opened up for IEPs to fall on their faces and cannibalize each other. Currently Cheersport is going to try this weekend again next year or maybe the third weekend in December. (They had 30+ teams this past year before they canceled.) Tank what do you think?

  - South Texas Area (San Antonio-San Marcos-Austin)
    - TRIPLE H2H -CHEER AMERICA vs UCA vs Fun Cheer in Austin Surrounding Area same day(11-19-2017)
    - UCA Southwest San Marcos -53 AS Teams UP 18 teams Grow this by taking Cheer America & Fun Cheer customers. Maybe add another Summit bid here.
    - CHEER AMERICA Capitol Cup Cedar Park -47 AS Teams. Down 20 Cheer teams Move to UCA.
    - Fun Cheer San Antonio – 38 AS Teams up 16 teams Move to UCA.

- **DECEMBER Battles**

  - First Weekend of December
    - North Texas Area (head to head)
      - NCA Holiday Classic -Frisco (12/03/17) 133 AS Teams UP 20 teams Grow this by taking Cheer America & Fun Cheer customers.
      - Cheer America – Irving (12/03/17) 33 AS teams DOWN 10 teams Move to NCA.
      - Fun Cheer- Denton (12/03/17) 33 AS teams also DOWN 10 teams Move to NCA.
      - ***VAS owns this market on this weekend and continues to push IEPs out Good!

- South Texas Area (Houston/Galveston/Austin) (head to head)
  - Encore/Groove –Houston (12/2-3/17) 322 AS teams UP 168 teams Grow this by taking Cheer America, Cheer USA & United customers.
  - Cheer America –Houston (12/03/17) 41 AS teams DOWN 81 teams Move to Encore.
  - Cheer USA –Galveston (12/03/17) 23 AS teams DOWN 12 teams Move to Encore.
  - United Cheer –Cedar Park (12/03/17) only 2 AS teams DOWN 24 teams Move to Encore.
  - ***Encore/Groove shut down all other competitors in the South Texas market for this weekend. Good!

- Second Weekend December
  - North Texas Area (head to head)
    - Spirit Celebration –Dallas (12/9-10/17) 245 AS Teams Grow this by taking America Spirit & Redline customers.
    - American Spirit Championships –Lubbock (12/09/17) 15 AS teams DOWN 20 teams Move to SCB.
    - Redline –Tyler (12/09/17) 21 AS teams – new event date/location Move to SCB.
    - ***VAS has largest event in North Texas for this weekend and shutting the IEPs out. Good!
  - South Texas Area (head to head)
    - American Cheer Power –Houston (12/09/17) 87 AS teams Grow this by taking Old School customers.
    - American Cheer Power –San Antonio (12/10/17) 90 AS Teams Grow this by taking Cheer America customers. Maybe add another Summit bid to make more incentive for teams to leave Corpus Christi.
    - Old School Cheer Events – Houston (12/10/17) 16 AS teams DOWN 17 teams Move to ACP.
    - Cheer America –Corpus Christi (12/10/17) 49 AS Teams DOWN 11 teams Move to ACP.
    - Fun Cheer – Edinburg (12/10/17) 25 AS teams Dude, that is almost in Mexico, but you can try to get them to come to ACP San Antonio.
    - ***VAS still has largest event in this market for this weekend Good, but don't like to see a competitor with almost 50 teams.

- Third Weekend December
  - North Texas Area
    - Spirit Celebration-Frisco (12/17/17) only event in area for this weekend in North Texas – 151 AS Teams UP 29 teams AWESOME!
    - ***VAS has pushed out all IEP presence for this market on this weekend Good!

  - South Texas Area
    - Cheer America –Houston (12/16/17) 58 AS Teams – new event, no VAS presence or opposition Not Good! Maybe add CS back to this weekend and take teams away from Cheer America?
    - Fun Cheer – San Antonio (12/17/17) 59 AS Teams –new event , no VAS presence or opposition Not Good! Maybe add CS back to this weekend in Houston and try to get teams away from Fun Cheer to go to CS with an additional Summit Bid?
    - ***Opportunity for VAS to capture the South Texas market on third weekend. IEPs running two 50 team events without any VAS events in the area. Currently Cheersport is going to try the third weekend of November or the third weekend of December in Houston. Tank what do you think, which weekend would be better for CS Houston?

**********Have an incredible Christmas Break!

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~Click here for Varsity's 2017-2018 Event Dates and Prices~
http://connect.varsity.com/

EXHIBIT 30

FILED UNDER SEAL
(Excerpt)

IN THE UNITED STATES DISTRICT COURT

FOR THE WESTERN DISTRICT OF TENNESSEE

FUSION ELITE ALL STARS, et al.,	)
	)
Plaintiffs,	) No.2:20-cv-
	) 02600-SHL-cgc
vs.	)
	)
	)
VARSITY BRANDS, LLC, et al.,	)
	)
Defendants.	)

JONES, et al.,	)
	)
Plaintiffs,	) No.2:20-cv-
	) 02892-SHL-cgc
vs.	)
	)
BAIN CAPITAL PRIVATE EQUITY, et al.,	)

HYBRID VIDEOTAPED DEPOSITION OF

JEFF WEBB

Thursday, May 12, 2022

Reported by:
LISA M. MURACO
JOB NO. 2022-831780

J. WEBB

And he helped you write your book American Restoration that we've just been talking about, correct?

A. Yes, he did.

Q. And that book has a chapter called Big is Bad; isn't that right?

A. Yes.

Q. And in that chapter, you discussed the problems for society when industries get too concentrated into any one company, correct?

MR. COGGINS: Object to form.

A. Talked about specific instances, as I recall. It's been over two years since I actually worked with Hamachek on producing that book.

We talked -- to my recollection, we talked about specific companies and the types of industries you mentioned earlier, big tech, healthcare, big banks, things that are absolutely critical to everyday life. The important critical things for everyone in our society.

Q. Why is it bad, in your view, when critical things like banking and healthcare and

J. WEBB

Bain acquisition.

Q. Okay.

So is it fair to say that at the time, in connection with the Bain transaction, you gave up your position as chairman of the board of the company?

A. Yes.

Q. Okay.

And so, today, sir, are you an employee of Varsity?

A. No.

Q. And do you get a -- do you receive any compensation from Varsity today?

A. Yes.

Q. And can you describe the nature of the compensation you get.

A. Are you talking about how much those --

Q. I was going to get there.

But you're not getting a salary now, right?

A. Okay. No, I'm a consultant.

Q. You anticipated where I was going. Okay.

J. WEBB

A. Okay. I figured you'd get the bug. Don't worry.

Q. Yeah.

05:59 We're doing fine, sir.

So today, you are serving as a consultant to Varsity?

A. Correct.

Q. And do you -- approximately how much

06:00 do you earn as a consultant?

A. About 250,000 a year.

Q. Okay.

And do you hold any titles at Varsity today?

06:00 A. No.

Q. And do you -- do you own stock in the company today?

A. No.

Q. Okay.

06:00 Now, sir, are you currently the president of the International Cheer Union?

A. Yes.

Q. Okay.

Now, sir -- can we go off the record

06:00 for a second.

C E R T I F I C A T E

STATE OF FLORIDA)
) ss.:
COUNTY OF PALM BEACH)

I, LISA M. MURACO, a Notary Public within and for the State of New York and Florida, do hereby certify:

That JEFF WEBB, the witness whose deposition is hereinbefore set forth, was duly sworn by me and that such deposition is a true record of the testimony given by such witness.

I further certify that I am not related to any of the parties to this action by blood or marriage; and that I am in no way interested in the outcome of this matter.

IN WITNESS WHEREOF, I have hereunto set my hand this 20th day of May, 2022.

Lisa M. Muraco

LISA M. MURACO